



NARRATIVE APPRAISAL REPORT

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# Milwaukee Marriott Downtown

625 NORTH MILWAUKEE STREET  
MILWAUKEE, WISCONSIN



**SUBMITTED TO:**

Mr. Frank DiCatri  
Reinhart Boerner Van Deuren s.c.  
1000 North Water Street, Suite 1700  
Milwaukee, Wisconsin 53202

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**PREPARED BY:**

HVS Consulting & Valuation  
Division of TS Worldwide, LLC  
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June 5, 2025

Mr. Frank DiCatri  
Reinhart Boerner Van Deuren s.c.  
1000 North Water Street, Suite 1700  
Milwaukee, Wisconsin 53202

Re: Milwaukee Marriott Downtown  
625 North Milwaukee Street  
Milwaukee, Wisconsin  
HVS Reference: 2025020551

Dear Mr. DiCatri:

Pursuant to your request, we herewith submit our narrative appraisal report pertaining to the above-captioned hotel. We have investigated the real estate and analyzed the market conditions in the Milwaukee, Wisconsin, area. Our report has been prepared in accordance with, and is subject to, the requirements of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) and the Uniform Standards of Professional Appraisal Practice (USPAP), as provided by the Appraisal Foundation. This letter of transmittal is not valid as an opinion of value if detached from the supporting report.

The subject of the appraisal is the fee simple interest in a site measuring 0.76 acres (33,120 square feet) that is improved with a full-service lodging facility known as the Milwaukee Marriott Downtown. The property, which opened in 2013, features 205 rooms, a restaurant with a bar, 8,907 square feet of meeting space, a fitness room, a concierge lounge, two business workstations, and a market pantry. This appraisal report is being prepared for the use of Reinhart Boerner Van Deuren s.c. in connection with its representation of Wisconsin & Milwaukee Hotel Funding LLC related to ongoing collection efforts.

We have undertaken the appraisal process and, based on our analysis, have concluded to the following opinions of market value:

	As Is
Date of Value	April 29, 2025
Exposure Time (Months)	5 to 10
Real Property Value	\$36,370,000
Personal Property Value	530,000
Intangible Property Value	0
<b>Reconciled Value</b>	<b>\$36,900,000</b>
<b>Reconciled Value per Key</b>	<b>180,000</b>
Interest Appraised	Fee Simple

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The "as is" value reflected assumes a total capital expenditure of \$6,800,000. In the event that the actual cost differs from the amount stated, the value of the subject property may change. It is assumed that the capital improvements will be completed in a competent and timely manner. This appraisal is subject to the extraordinary assumption that a capital deduction will be required to fund a renovation of the subject property's guestrooms and public spaces. As a PIP has not been completed by Marriott, based on our industry knowledge and conversations with property management, we have estimated the areas in need of renovation and related costs; however, it is possible that the scope and renovation costs could vary from our estimate. The use of this extraordinary assumption may have affected the assignment results. Moreover, several important general assumptions have been made that apply to this appraisal and our valuations of hotels in general. These items are set forth in the Assumptions and Limiting Conditions chapter of this report.

This report was prepared during a period of significant uncertainty related to multiple changes in U.S. policies that have affected both the U.S. and global economies. Please see the Macro Considerations discussion in the Nature of the Assignment section for an overview of these issues and their impact. In preparing our findings, we have considered current market perspectives and information available as of the effective date of this report. Any subsequent change to these perspectives or information could affect the analysis presented herein.

This report is intended for the addressee firm in connection with its representation of Wisconsin & Milwaukee Hotel Funding LLC and may not be shared with or relied upon by any third parties or for any other purposes other than, in either case, in connection with such.

We hereby certify that we have no undisclosed interest in the property, and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

Sincerely,  
TS Worldwide, LLC



Tanya J. Pierson, MAI, Senior Managing Director  
TPierson@hvs.com, +1 (303) 588-6558  
Certified General Appraiser License (WI) 1121-10

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Addenda

Qualifications & Copy of Appraisal License

Copy of Legal Description



# 1. Summary of Salient Data and Conclusions

Property:	Milwaukee Marriott Downtown
Location:	625 North Milwaukee Street Milwaukee, Wisconsin 53202 Milwaukee County
Interest Appraised:	Fee Simple
Highest and Best Use (as improved):	Full-service lodging facility

## LAND DESCRIPTION

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Area:	0.76 acres, or 33,120 square feet
Zoning:	C9F(A) - Office and Service Downtown District
Assessor's Parcel Number:	3960471000
FEMA Flood Zone:	Zone X

## IMPROVEMENTS DESCRIPTION

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Year Opened:	2013
Property Type:	Full-service lodging facility
Building Area:	147,010 square feet
Guestrooms:	205
Number of Stories:	Nine
Food and Beverage Facilities:	A restaurant with a bar
Meeting Space:	8,907 square feet
Additional Facilities:	A fitness room, a concierge lounge, two business workstations, and a market pantry
Parking Spaces:	45 Valet Only

## SUBJECT PROPERTY



## LOBBY



## RESTAURANT



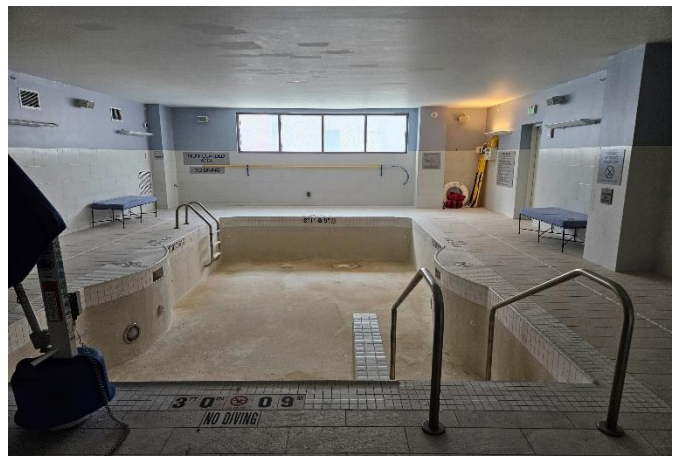
## MEETING ROOM



## GUESTROOM



## POOL



**FIGURE 1-1 HISTORICAL AND PROJECTED ROOMS REVENUE METRICS**

Year	Occupancy		Average Rate		RevPAR	
	Total	% Change	Total	% Change	Total	% Change
<b>Historical</b>						
2019	77.2 %	—	\$191.75	—	\$148.12	—
2020	64.8	(16.1) %	177.59	(7.4) %	115.07	(22.3) %
2021	41.6	(35.7)	204.51	15.2	85.15	(26.0)
2022	55.3	32.8	181.49	(11.3)	100.36	17.9
2023	63.3	14.4	190.36	4.9	120.47	20.0
2024	69.9	10.4	200.81	5.5	140.32	16.5
2024/25 Fiscal Year Ending March 31	70.2	0.5	207.30	3.2	145.52	3.7
<b>Projected</b>						
2025/26	70.0 %	(0.3) %	\$204.11	(1.5) %	\$142.88	(1.8) %
2026/27	72.0	2.9	216.74	6.2	156.05	9.2
Stabilized	72.0	0.0	231.03	6.6	166.34	6.6
2028/29	72.0	0.0	237.96	3.0	171.33	3.0
2029/30	72.0	0.0	245.10	3.0	176.47	3.0

**FIGURE 1-2 HISTORICAL AND PROJECTED REVENUE, HOUSE PROFIT, AND EBITDA LESS REPLACEMENT RESERVE (NET INCOME)**

		Total Revenue		Gross Operating Profit			EBITDA Less Replacement Reserve		
			%			As a % of			As a %
Year		Total	Change	Total	% Change	Total Rev.	Total	% Change	of Total Rev.
Historical	2019	\$15,653,000	—	\$5,849,000	—	37.4 %	\$3,274,000	—	20.9 %
	partial 2020	2,435,000	(84.4) %	(397,000)	(106.8) %	(16.3)	(1,831,000)	(155.9) %	(75.2)
	partial 2021	3,259,000	33.8	889,000	323.9	27.3	(325,000)	82.3	(10.0)
	2022	10,158,000	211.7	2,816,000	216.8	27.7	921,000	383.4	9.1
	2023	12,307,000	21.2	3,367,000	19.6	27.4	1,289,000	40.0	10.5
	2024	13,735,000	11.6	4,280,000	27.1	31.2	2,079,000	61.3	15.1
	Fiscal Year Ending March 31 2024/25	14,070,000	2.4	4,587,000	7.2	32.6	2,370,000	14.0	16.8
Projected	2025/26	\$14,087,000	0.1 %	\$4,654,000	1.5 %	33.0 %	\$2,358,000	(0.5) %	16.7 %
	2026/27	15,700,000	11.5	5,586,000	20.0	35.6	3,126,000	32.6	19.9
	2027/28	16,977,000	8.1	6,390,000	14.4	37.6	3,785,000	21.1	22.3
	2028/29	17,487,000	3.0	6,582,000	3.0	37.6	3,901,000	3.1	22.3
	2029/30	18,011,000	3.0	6,780,000	3.0	37.6	4,019,000	3.0	22.3

**FIGURE 1-3 SUMMARY OF INVESTMENT PARAMETERS AND MARKET VALUE OPINIONS**

	<b>As Is</b>
Date of Value	April 29, 2025
Number of Rooms	205
Interest Appraised	Fee Simple
Exposure Time (Months)	5 to 10
Planned Renovation/Refurbishment	\$6,800,000
Assumed Capital Deduction (Net of Reserves)	5,700,000
<b><u>Approaches to Value</u></b>	
<b>INCOME CAPITALIZATION APPROACH</b>	
Total Property Yield/Discount Rate	11.00 %
Applied Terminal Cap Rate	8.00
Transaction Costs	2.5
Initial Value Indication	\$42,600,000
Capital Deduction	5,700,000
<b>Income Approach Value Conclusion</b>	<b>\$36,900,000</b>
<b>Per Room</b>	<b>180,000</b>
Cap Rate - Historical EBITDA (2024/25)	6.4 %
Cap Rate - Year One EBITDA	6.4
Cap Rate - Deflated Stabilized EBITDA	9.7
<b>SALES COMPARISON APPROACH</b>	<b>\$22,100,000 to \$46,100,000</b>
<b><u>Reconciled Value Opinion</u></b>	
Real Property Value	\$36,370,000
Personal Property Value	530,000
Intangible Property Value	0
<b>Reconciled Value</b>	<b>\$36,900,000</b>
<b>Per Room</b>	<b>180,000</b>



## 2. Nature of the Assignment

### Subject of the Appraisal

The subject of the appraisal is the fee simple interest in a site measuring 0.76 acres (33,120 square feet) that is improved with a full-service lodging facility known as the Milwaukee Marriott Downtown. The property, which opened in 2013, features 205 rooms, a restaurant with a bar, 8,907 square feet of meeting space, a fitness room, a concierge lounge, two business workstations, and a market pantry. The hotel also contains all necessary back-of-the-house space. The hotel's civic address is 625 North Milwaukee Street, Milwaukee, Wisconsin 53202.

The subject property is appraised as an open and operating facility.

### Property Rights Appraised

The property rights appraised are the fee simple ownership of the real and personal property. The fee simple estate is defined as “absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”<sup>1</sup>

### Objective of the Appraisal

The objective of the appraisal is to develop an opinion of the subject property’s “as is” market value. The following definition of market value has been agreed upon by the agencies that regulate federal financial institutions in the United States:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

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<sup>1</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022).

5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>2</sup>

“As is” market value is defined by the Appraisal Institute as follows:

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.<sup>3</sup>

#### Pertinent Dates

The effective date of the "as is" market value opinion is April 29, 2025. Tanya J. Pierson, MAI inspected the subject property on April 29, 2025; the photographs in this report reflect the condition of the property as observed on our inspection date. Tanya J. Pierson, MAI completed the research for this assignment and the report's preparation.

#### Macro Considerations

In recent weeks, the U.S. and global markets have demonstrated a notable degree of volatility, principally related to the policies of the current U.S. administration. The lack of clarity as to the intent, implementation, and duration of those policies has created widespread uncertainty, resulting in significant fluctuation in markets throughout the world. The proposed tariffs have been the primary factor initiating this volatility, raising concerns about increased inflation and suppressed international trade and travel. International travel to the United States has been declining, and inflationary concerns could affect domestic travel. There is also the potential for additional or new supply-chain issues, which, combined with inflation, would further increase the cost of doing business, including new development. Government layoffs and the potential for private-sector cutbacks could also affect domestic travel, including both transient and group activity. Another consideration is the evolving immigration policies, which may reduce the pool of potential employees, particularly related to entry-level positions in the hospitality industry.

Until more clarity emerges, the near-term outlook is one of continued volatility in response to the aforementioned factors. The possibility of increased inflation, rising unemployment, and a recession are considered potential threats; however, the lack of clarity surrounding these issues, including depth and duration, makes it difficult to formulate a mid-term outlook for the industry. In regard to the long term, we know that the hospitality industry has proven to be extraordinarily resilient following past “shock” events and downturns, such as 9/11, the Great Recession, and the COVID-19 pandemic, which caused business to decline sharply. However, the industry's performance has always recovered and continued to grow. Thus, we

<sup>2</sup> *Federal Register*, Vol. 75, No. 237, December 10, 2010: 77472.

<sup>3</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022).

are confident the industry will prove to be similarly resilient following the current period of uncertainty.

### Exposure Period

Exposure period is defined as the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at its market value, as of the date of value. The exposure period reflects a retrospective opinion based on an analysis of past events and assumes a competitive and open market.

Strong operating performance through early 2020 supported a healthy transaction market, as hotel properties were actively sought-after by investors and as financing remained readily available. In March 2020, the COVID-19 pandemic brought the hotel transactions market to a virtual standstill. The transaction market began to recover in late 2020, with healthy transaction levels recorded in 2021 through the first half of 2022, as debt was available at low interest rates during that time. By late 2022 and 2023, the transactions market had cooled, as successive interest-rate increases and fewer active lenders with more-stringent lending requirements resulted in an increase in the cost of capital. In 2024, the Federal Reserve (Fed) made three cuts to the federal funds rate, with it ending the year between 4.25% and 4.5%; no change was made during the Fed's January 2025 meeting. Given recent declines in the stock market, interest rates may move lower sooner rather than later, particularly if weakness emerges in the job market. For now, marketing time remains relatively short for renovated, well-branded, limited-service and extended-stay hotels, although it is longer for hotels that have more significant challenges.

HVS collects survey data from brokers on the average exposure period prior to closed sales. Surveys published by PWC and USRC poll market participants on current marketing time; these surveys do not specify if marketing time refers to experience or forward-looking expectations. Despite this lack of distinction, the responses are informed to some degree by the respondents' recent experience; therefore, the data from those surveys are useful indicators of an appropriate exposure period.

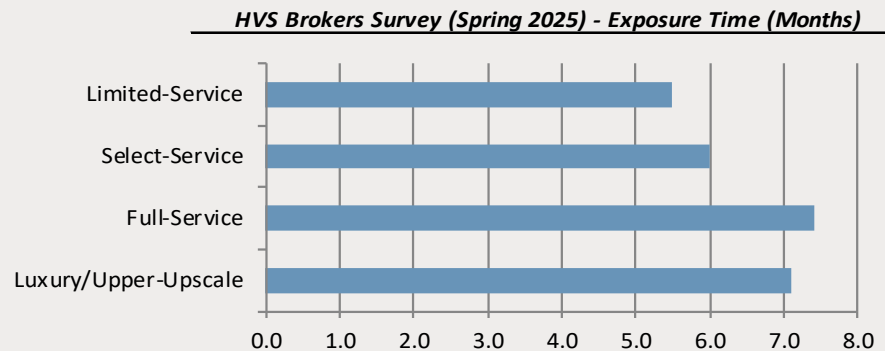
According to the *HVS Brokers Survey - Spring 2025*, reported exposure periods averaged 7.1 months for luxury/upper-upscale properties, 7.4 months for full-service hotels, and 6.0 months for select-service hotels. Marketing time for luxury/upper-upscale properties, full-service hotels, and select-service hotels averaged 7.4, 6.6, and 6.3 months, respectively, according to the *PWC Real Estate Investor Survey - First Quarter 2025*. USRC reported average marketing times of 6.2 and 6.0 months, respectively, for full-service and limited-service hotels in its *Winter 2025 Hotel Investor Survey*. Overall marketing time is averaging 8.3 months for hotels, as reported by the *RERC Real Estate Report* for the first quarter of 2025. The

following table illustrates marketing and exposure periods reported in recent surveys.

**FIGURE 2-1 EXPOSURE AND MARKETING PERIODS (MONTHS)**

Property Type	<i>HVS Brokers Survey</i> <i>Exposure Time</i>	<i>USRC Hotel Survey</i> <i>Marketing Time</i>	<i>PWC Investor Survey</i> <i>Marketing Time</i>
	Spring 2025	Winter 2025	1st Quarter 2025
Luxury/Upper-Upscale	3.0 to 15.0	—	4.0 to 12.0
<i>Average</i>	7.1	—	7.4
Full-Service	3.0 to 15.0	3.0 to 9.0	3.0 to 12.0
<i>Average</i>	7.4	6.2	6.6
Select-Service	2.0 to 12.0	—	1.0 to 12.0
<i>Average</i>	6.0	—	6.3
Limited-Service	2.0 to 12.0	3.0 to 9.0	3.0 to 8.0
<i>Average</i>	5.5	6.0	5.3

\* Overall marketing time is averaging 8.3 months for hotels, as reported by the *RERC Real Estate Report* for the first quarter of 2025.



Our opinion is that the exposure period for the subject property, prior to our date of value, is estimated to be five to ten months. The marketing and sales process for hotels is extremely efficient. Brokers specializing in hotel transactions actively solicit potential buyers on an ongoing basis and maintain databases on hotel investor criteria. According to the brokers interviewed, the current period from when a property is listed to when the sale closes is typically four to eight months. Brokers are normally able to produce marketing materials, elicit interest, schedule property tours, accept offers, and select a buyer in 60 to 120 days. Following the



execution of a purchase and sale agreement, the due diligence and closing period is typically 60 to 90 days.

#### **Marketing Period**

The marketing period refers to the amount of time necessary to market the hotel subsequent to our date of value for it to sell for the appraised value; thus, it is a prospective opinion. An opinion of marketing time is not a condition of, or directly related to, market value. However, many clients specifically request, or have an interest in, prospective marketing time. HVS regularly collects survey data from brokers on anticipated marketing times; moreover, we have reviewed the previously presented survey data from PWC and USRC. The marketing period for the subject property, subsequent to our date of value, is estimated to be four to nine months.

#### **Ownership History**

The subject property is currently owned by Wisconsin & Milwaukee Hotel LLC, which is based in Milwaukee. The subject property was built in 2013 at a total cost of approximately \$54,000,000. No transfers of the property have reportedly occurred since its construction. The hotel is neither listed nor under contract for sale, and we have no knowledge of any recent listings.

#### **Management and Franchise History and Assumptions**

The subject hotel is managed by White Lodging Services. Terms of this agreement call for a base management fee of 3.5% of gross revenues; furthermore, the agreement calls for an incentive fee of 20.0% of operating profit, after payment of an owner's priority, which is 10% of the total project costs. While the appraisers were not provided with the total project costs to date, we have assumed that based on the reported construction cost of \$54 million, the operating profit is not expected to surpass an owner's priority of \$5.4M throughout the projection period. Therefore, our projections do not reflect any incentive management fees. In addition, the management agreement cannot be terminated upon sale unless a termination fee is paid, which is equal to the greater of \$1,000,000 or two times the management fee in the prior fiscal year. As a result, our appraisal assumes that the hotel will remain managed by White Lodging Services throughout the assumed holding period, with 3.5% management fees deducted. Our projections reflect a base management fee of 3.5% of total revenues. Please refer to the Income Capitalization Approach chapter for additional discussion pertaining to our management fee assumptions.

The hotel currently operates as a Marriott Hotel under a license agreement with Marriott International; the existing agreement expires in 2038 and does not carry an option for renewal. The property's current franchise agreement had a ramp up in franchise fees, but as of the fourth operating year the fees stabilize at a royalty fee of 6.0% of rooms revenue and 3% of food and beverage revenue, and a marketing fund charge of 1.0% of rooms revenue. We note that the current franchise agreement cannot automatically be transferred to a new owner upon the sale of the

property. We have assumed that a buyer would elect to continue to operate the hotel as a Marriott and would enter into a license agreement that would reflect the current terms as published in the company's franchise disclosure document (FDD). The costs of the Marriott affiliation, which are reflected in our forecast, comprise a 6.0% royalty fee and a 1.0% marketing fund fee (percentage of rooms revenue). Furthermore, the royalty fee includes a 3.0% of food and beverage revenue assessment. Other charges related to the affiliation, such as frequent guest programs, are reflected in the appropriate departmental expenses, consistent with the Uniform System of Accounts for the Lodging Industry (USALI).

A new license could require upgrades or renovations in order for the hotel to comply with prevailing brand standards, which would necessitate additional investment. Given the property's current condition, we have assumed that the brand would require various upgrades and/or renovations associated with a property improvement plan (PIP); as such, we have considered a capital deduction in our analysis.

Marriott is the company's flagship brand of full-service hotels and resorts; as of year-end 2024, there were 336 hotels (131,983 rooms) operating under the brand in the United States and Canada. Each Marriott hotel features multiple restaurants and lounges, room service, a fitness center/health club, a swimming pool and whirlpool, a gift shop, a concierge, a business center, and meeting facilities. The properties also benefit from their participation in Marriott Bonvoy, a successful guest loyalty program. Primary competitors of the brand include Hilton, Embassy Suites by Hilton, DoubleTree by Hilton, Sheraton, Westin, Fairmont, Hyatt, and InterContinental, among others. In 2024, the brand's U.S. and Canadian hotels operated at an average occupancy level of 68.0% and an average daily rate (ADR) of \$208.88, resulting in an average RevPAR of \$142.05.

We assume that the hotel will retain its current brand affiliation throughout the holding period. Inherent in this assumption is the expectation that the hotel will be operated in accordance with brand standards, including requirements for services and cleanliness; that the property will be maintained in very good condition, with all building systems in good working order; and that any necessary refurbishments or renovations will be completed in a timely manner and in accordance with the requirements of the brand. The franchise inspection report provided for our review is dated March 17, 2023; we were not provided with a more recent report. We assume that any deficiencies noted in the report have been addressed and that the hotel will pass all future franchise inspections.

#### **Projected Capital Improvements**

As will be further delineated in the Real Estate section of this report, our value is based on the assumption that a buyer would invest \$6,800,000 in capital

improvements to upgrade the property upon sale. After consideration of reserves, a capital deduction of \$5,700,000 is applied to our analysis.

#### Most Probable Buyer

The subject property is an upper-upscale, full-service hotel that is favorably located in Milwaukee's Central Business District. The asset offers an appropriate array of facilities and amenities for a full-service hotel. The hotel opened in 2013 and has reportedly undergone ongoing maintenance and minor updates; however, the extent of renovations necessary to continue its current brand affiliation would be considered in a potential buyer's expected investment returns. It is our opinion that the most probable buyer of the subject property would be a private investment fund, REIT, or ownership group looking to supplement its regional or national hotel portfolio. This type of buyer would implement a third-party professional hotel operator and maintain a nationally recognized brand affiliation.

#### Identification of the Client and Intended Use/User of the Appraisal

The client for this engagement is Reinhart Boerner Van Deuren s.c.

This appraisal report is being prepared for use of Reinhart Boerner Van Deuren s.c. in connection with its representation of Wisconsin & Milwaukee Hotel Funding LLC related to ongoing collection efforts. The appraisal may not be shared with or relied upon by any third parties or for any other purposes other than, in either case, in connection with such.

#### Assignment Conditions

Per USPAP, an "Extraordinary Assumption" is defined as follows:

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.<sup>4</sup>

This appraisal is subject to the extraordinary assumption that a capital deduction will be required to fund a renovation of the subject property's guestrooms and public spaces. As a PIP has not been completed by Marriott, based on our industry knowledge and conversations with property management, we have estimated the areas in need of renovation and related costs; however, it is possible that the scope and renovation costs could vary from our estimate. The use of this extraordinary assumption may have affected the assignment results. Moreover, several important general assumptions have been made that apply to this appraisal and our valuations

<sup>4</sup>The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice*, 2020–2021 ed.

of hotels in general. These items are set forth in the Assumptions and Limiting Conditions chapter of this report.

### Competency

Our qualifications are included as an addendum to this report. These qualifications reflect that we have the competence required to complete this engagement, in accordance with USPAP's competency provision. Our knowledge and experience are appropriate for the complexity of this assignment.

### Scope of Work

The methodology used to develop this appraisal is based on the market research and valuation techniques set forth in the textbooks authored by Hospitality Valuation Services for the American Institute of Real Estate Appraisers and the Appraisal Institute, entitled *The Valuation of Hotels and Motels*,<sup>5</sup> *Hotels & Motels: Valuations and Market Studies*,<sup>6</sup> *The Computerized Income Approach to Hotel/Motel Market Studies and Valuations*,<sup>7</sup> *Hotels and Motels: A Guide to Market Analysis, Investment Analysis, and Valuations*,<sup>8</sup> and *Hotels and Motels – Valuations and Market Studies*,<sup>9</sup> as well as in accordance with the Uniform System of Accounts for the Lodging Industry (USALI).

1. All information was collected and analyzed by the staff of TS Worldwide, LLC. Information such as historical operating statements, franchise and/or management agreements, site plans, floor plans, and leases, as applicable, were supplied by the client or property management.
2. The subject site was evaluated from the viewpoint of its utility for the development and operation of a hotel. The potential existence of surplus or excess land was investigated. We have reviewed adjacent uses, regional and local accessibility attributes, and visibility characteristics. A study of the local neighborhood was undertaken to determine its boundaries, land uses, recent developments, and life-cycle stage. Other aspects of the land, such as soil and subsoil conditions, nuisances, hazards, easements, encroachments, zoning, and the current flood zone of the property, have been evaluated.

<sup>5</sup> Stephen Rushmore, *The Valuation of Hotels and Motels*. (Chicago: American Institute of Real Estate Appraisers, 1978).

<sup>6</sup> Stephen Rushmore, *Hotels, Motels and Restaurants: Valuations and Market Studies*. (Chicago: American Institute of Real Estate Appraisers, 1983).

<sup>7</sup> Stephen Rushmore, *The Computerized Income Approach to Hotel/Motel Market Studies and Valuations*. (Chicago: American Institute of Real Estate Appraisers, 1990).

<sup>8</sup> Stephen Rushmore, *Hotels and Motels: A Guide to Market Analysis, Investment Analysis, and Valuations* (Chicago: Appraisal Institute, 1992).

<sup>9</sup> Stephen Rushmore and Erich Baum, *Hotels and Motels – Valuations and Market Studies*. (Chicago: Appraisal Institute, 2001).

3. The subject property's improvements were inspected to evaluate their current condition, construction materials, and design and layout, including any items of physical deterioration or functional obsolescence. A list of facilities and amenities that the property offers has been compiled, and past upgrades of each area of the hotel have been investigated. Recent capital expenditures, as well as planned future upgrades, have been reviewed. The remaining economic life of the hotel has been estimated.
4. Economic and demographic statistics for the subject property's market have been reviewed to identify specific hospitality-related trends that may affect future demand for hotels. Workforce characteristics have been evaluated, including employment trends by sector and unemployment rates. Major businesses and industries operating in the local area were investigated, and local area office statistics and trends were reviewed, as available. Passenger levels and recent changes at the area's pertinent airport have been researched, and visitor demand generators have been identified and evaluated.
5. A trend report pertaining to historical trends in room-night supply, demand, occupancy, average rate (ADR), and RevPAR for the subject property and a group of selected competitors has been ordered and analyzed. Performance levels for each of the competitive hotels have been researched and/or estimated. Ownership, management, facilities, renovations, and other pertinent factors for the competitive properties have been investigated. Potential new hotel supply was researched and quantified. Occupancy levels of the subject hotel and its existing competition provide a basis for quantifying current accommodated demand in the market. The market for hotel accommodations is segmented based on the specific characteristics of the types of travelers utilizing the area's hotels. By segmenting the demand accommodated by each hotel, the total demand by market segment is quantified. The demand generated by each market segment is then projected yearly up to a point of hypothetical market stabilization. Latent demand, if applicable, is estimated and added to the base demand forecast, resulting in a forecast of overall occupancy for the competitive market.
6. Based on the physical, economic, financial, and legal factors influencing the subject property, a conclusion regarding the property's highest and best use, as currently improved, was developed. The highest and best use of the subject land, as if vacant, was also evaluated based on current real estate trends and market conditions.
7. The subject hotel's occupancy was projected based on a forecast of overall market penetration or penetration by market segment. Its ADR was projected based on competitive positioning through the application of an

overall ADR penetration rate or per the penetration by each market segment's ADR.

8. Historical revenue and expense statements for the subject hotel have been reviewed, analyzed, and compared to the financial performance of comparable hotels. Inflation forecasts were researched, forming the basis for our own forecast of inflation. A projection of revenue and expense was prepared in accordance with the USALI, setting forth the anticipated economic benefits of the subject property. All projections are expressed in inflated dollars. Each line item has been reviewed individually. Amounts are forecast based on past performance, expected changes at the property in the future, and comparable hotel performance levels. Property taxes are forecast based on a review of past assessment levels, comparable hotel assessments, and historical tax rates.
9. Our forecast of EBITDA Less Replacement Reserve (formerly referred to as "net operating income") for the subject property is capitalized into an opinion of value via a ten-year discounted cash flow (DCF) analysis. Pertinent direct capitalization rates are also reviewed, and trends in terminal capitalization rates are researched and applied during this process.
10. Sales of comparable hotels have been researched for the local market, by brand nationally, and for the greater region as a whole. Among these sales, a smaller set of sales was selected for more detailed review and analysis. An adjustment grid was developed to assist in deriving our opinion of value via the sales comparison approach.
11. The cost approach was deemed inapplicable in the valuation of the subject property because it is not relied upon by hotel investors in the valuation process; moreover, it requires unsubstantiated calculations to derive an estimate of asset depreciation. However, investors may consider the replacement cost of an asset in making their purchase and pricing decisions, as the opportunity to acquire a property for below replacement cost can enhance the appeal of a potential acquisition. An opinion of personal property value is presented.
12. The appraisal considers the following three approaches to value: cost, sales comparison, and income capitalization. We have investigated numerous improved sales in the market area and have spoken with buyers, sellers, brokers, property developers, and public officials. Because lodging facilities are income-producing properties that are normally bought and sold based on capitalization of their anticipated stabilized earning power, the greatest weight is given to the value indicated by the income capitalization approach. We find that most hotel investors employ a similar procedure in formulating

their purchase decisions; thus, the income capitalization approach most closely reflects the rationale of typical buyers.

The results of the appraisal are based on this investigation and analysis and are conveyed in this report. The analyses, opinions, and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in USPAP.



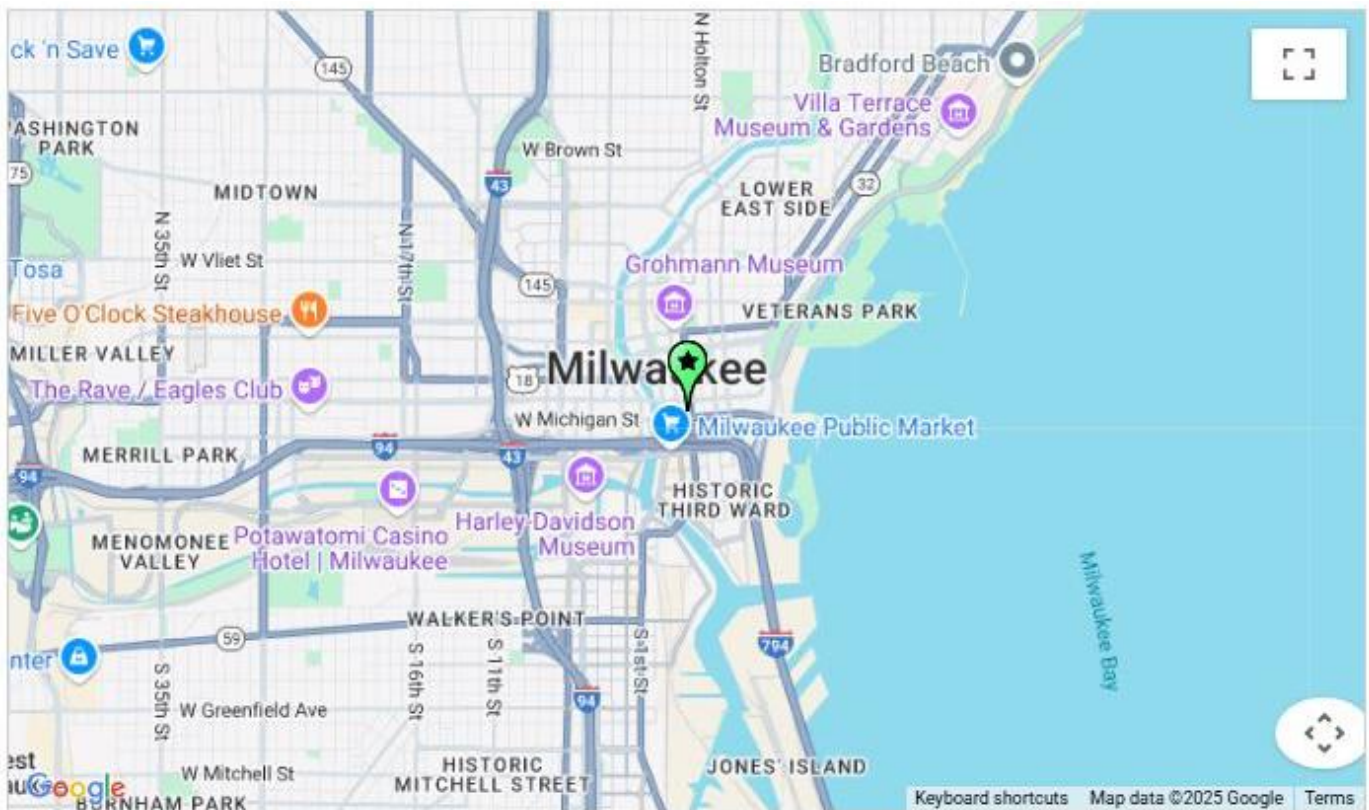
### 3. Description of the Real Estate

#### LAND

The suitability of the land for the operation of a lodging facility is an important consideration affecting the economic viability of a property and its overall value. Factors such as size, topography, access, visibility, and the availability of utilities have a direct impact on the desirability of a particular site.

The subject property is located in Milwaukee's Central Business District, in the southwest quadrant of the intersection formed by East Wisconsin Avenue and North Milwaukee Street. The street address of the Milwaukee Marriott Downtown is 625 North Milwaukee Street, Milwaukee, Wisconsin 53202. The hotel's restaurant entrance is tied to the address of 323 East Wisconsin Avenue.

#### LOCATION MAP





**Physical Characteristics**

The subject site measures approximately 0.76 acres, or 33,120 square feet. The parcel's adjacent uses are set forth in the following table.

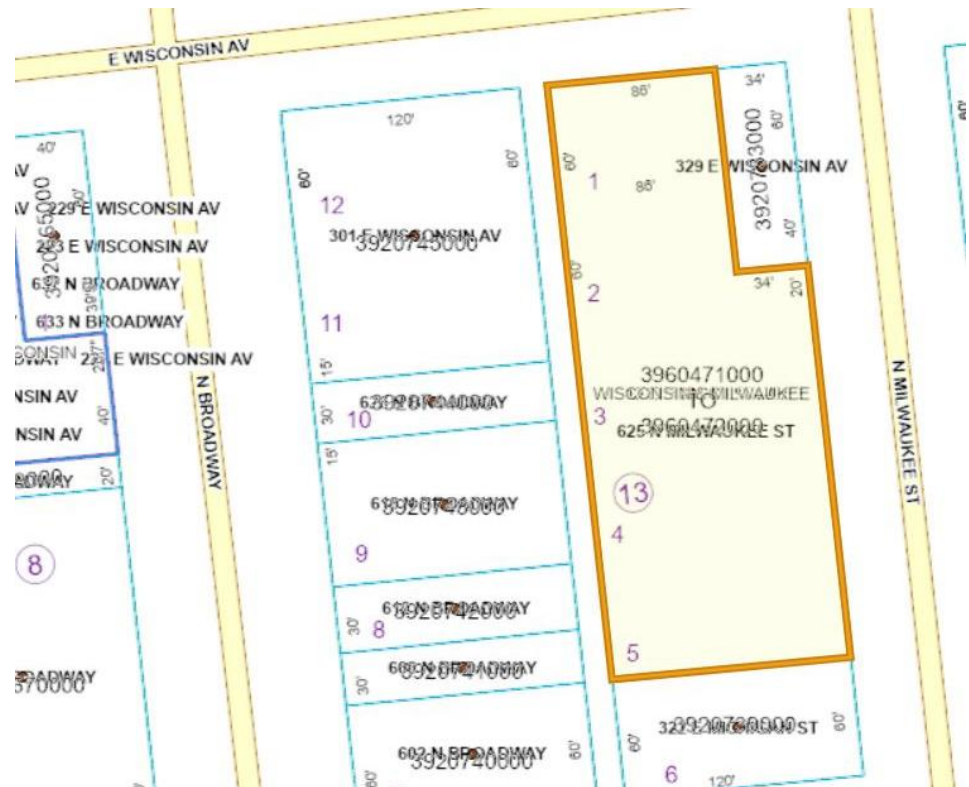
**FIGURE 3-1 SUBJECT PARCEL'S BOUNDARIES/ADJACENT USES**

Direction	Boundary	Adjacent Use
North	E. Wisconsin Avenue	Wells Building - Mixed Use
South	E. Michigan Street	Mixed Use Retail and Residential
East	N Milwaukee Street	Office Tower and Parking Garage
West	Property Line	Office and Retail

**Site Utility**

The topography of the site slopes gently downward from north to south, and the shape permits efficient use of the site for the building and other improvements, as well as ingress and egress. The subject site does not contain any significant portion of undeveloped land that could be sold, entitled, and developed for alternate use. The site is fully developed with building and site improvements.

## TAX PARCEL MAP



## AERIAL PHOTOGRAPH



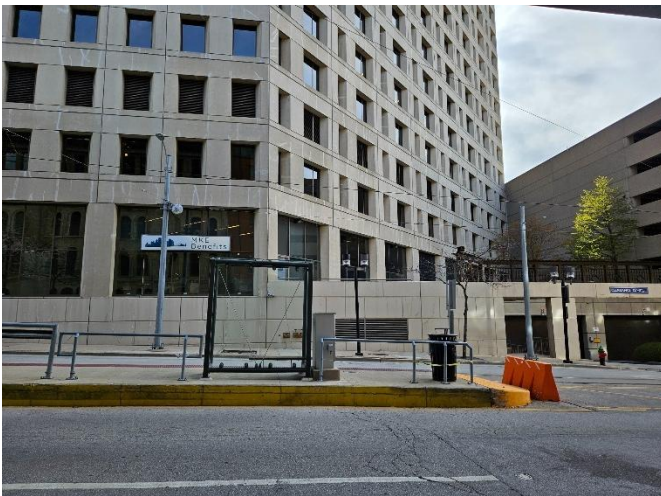
VIEW FROM SITE TO THE NORTH



VIEW FROM SITE TO THE SOUTH



VIEW FROM SITE TO THE EAST



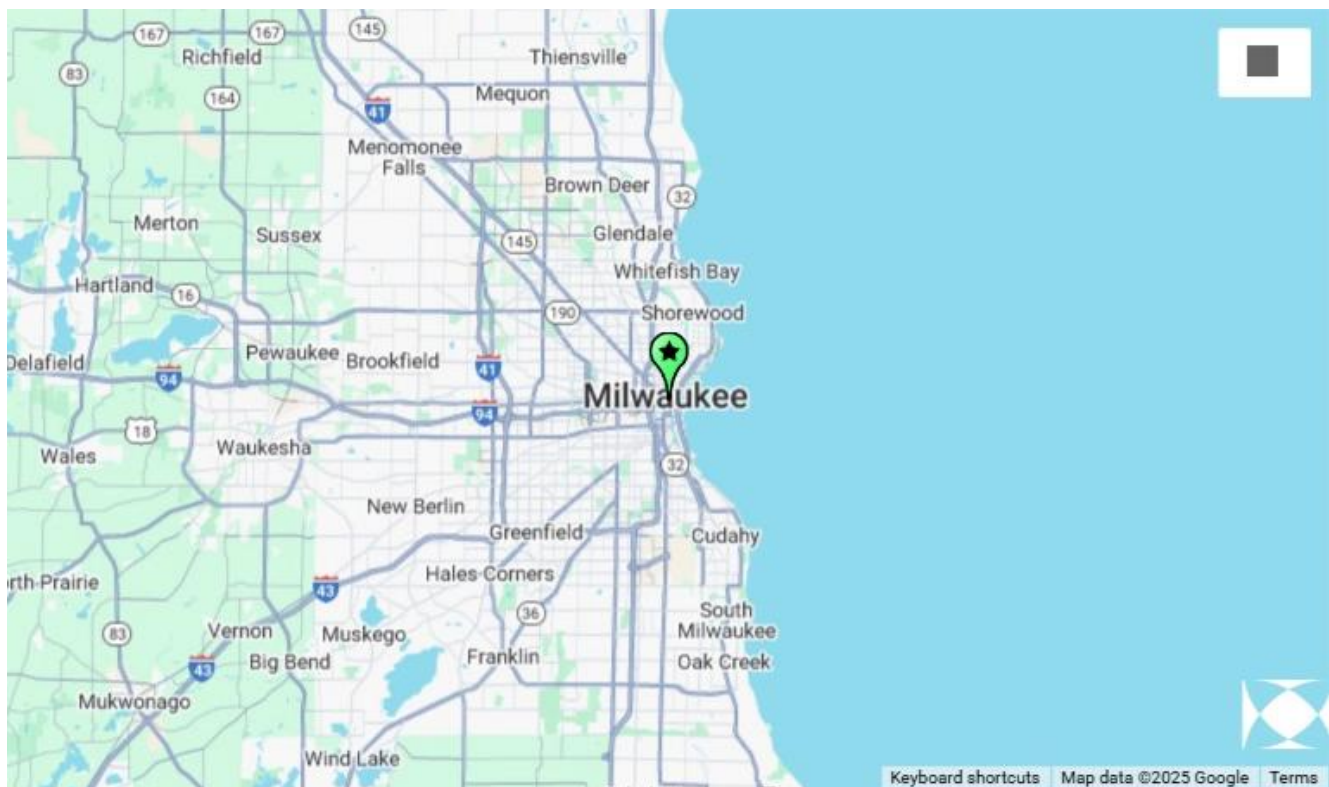
VIEW FROM SITE TO THE WEST





**Access and Visibility**

It is important to analyze the site with respect to regional and local transportation routes and demand generators, including ease of access. The subject site is readily accessible to a variety of local and county roads, as well as state and interstate highways.

**MAP OF REGIONAL ACCESS ROUTES**

Primary regional access through the area is provided by Interstates 94, 41, and 43. Regional access to/from the city of Milwaukee and the subject site, in particular, is considered very good.

Primary vehicular access to the subject property is provided by North Milwaukee Street. Access to the rear loading docks is available via an alley that runs between East Wisconsin Avenue and East Michigan Street. The subject property is located near a busy intersection and is relatively simple to locate from Interstate 794, which is the closest major thoroughfare. Overall, the subject property benefits from very good accessibility and visibility attributes.

**Airport and Metrorail  
Access**

The subject hotel is served primarily by the General Mitchell International Airport, which is located approximately five miles to the south of the subject site.

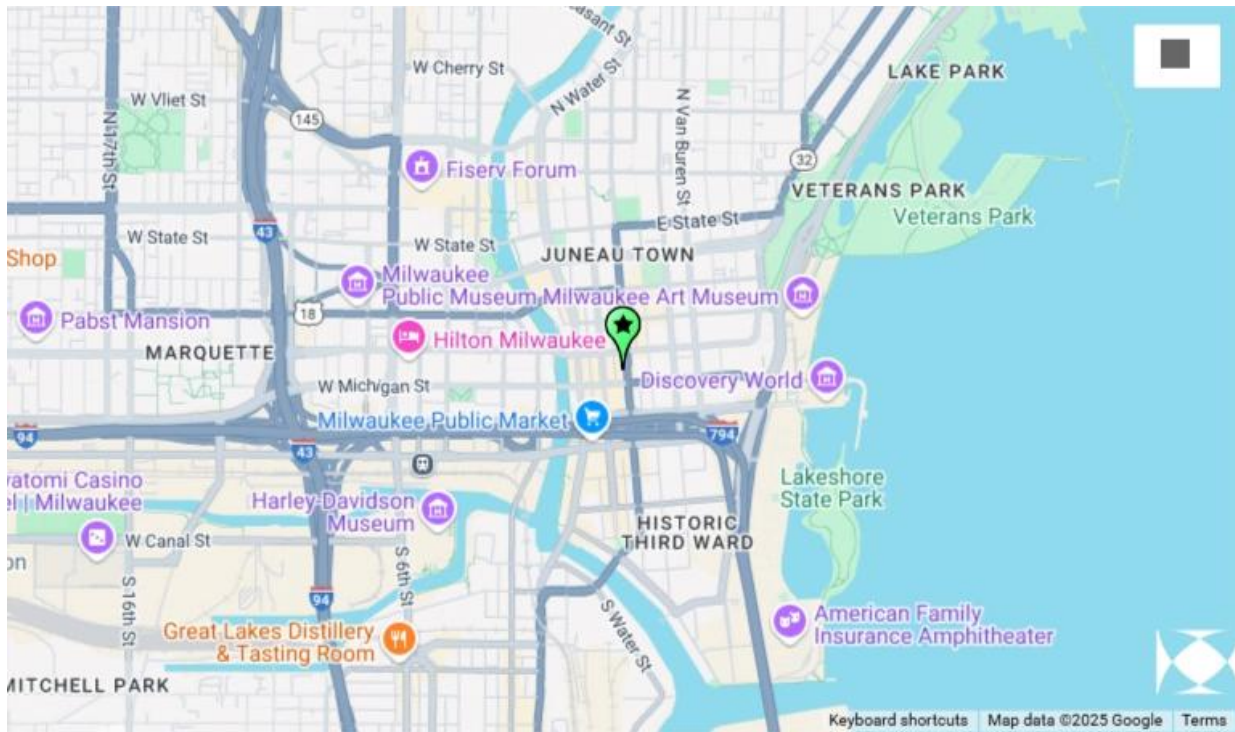
The HOP is a free streetcar transit system in Milwaukee, providing service on two different lines within the Historic Third Ward, East Town, and the Lower East Side. A stop for the L-line is located directly in front of the subject property.

**Neighborhood**

The neighborhood surrounding a lodging facility often has an impact on a hotel's status, image, class, style of operation, and sometimes its ability to attract and properly serve a particular market segment.

The subject property's Downtown Milwaukee neighborhood is generally defined by East Knapp Street to the north, Lake Michigan to the east, Milwaukee River to the south, and Interstate 43 to the west. The neighborhood is characterized by office structures, civic buildings, hotels, and restaurants. Some specific businesses and entities in the area include the Baird Center, Milwaukee Art Museum, Fiserv Forum, UW-Milwaukee Panther Arena, and Northwestern Mutual Corporate Headquarters; nearby hotels include the Pfister Hotel, Westin, and Tru by Hilton. In general, this neighborhood is in the stable stage of its life cycle, with pockets of development. Notable construction projects in the last few years include 3rd St. Market Hall, Fiserv Forum at Deer District, and the recently-completed Baird Center expansion.

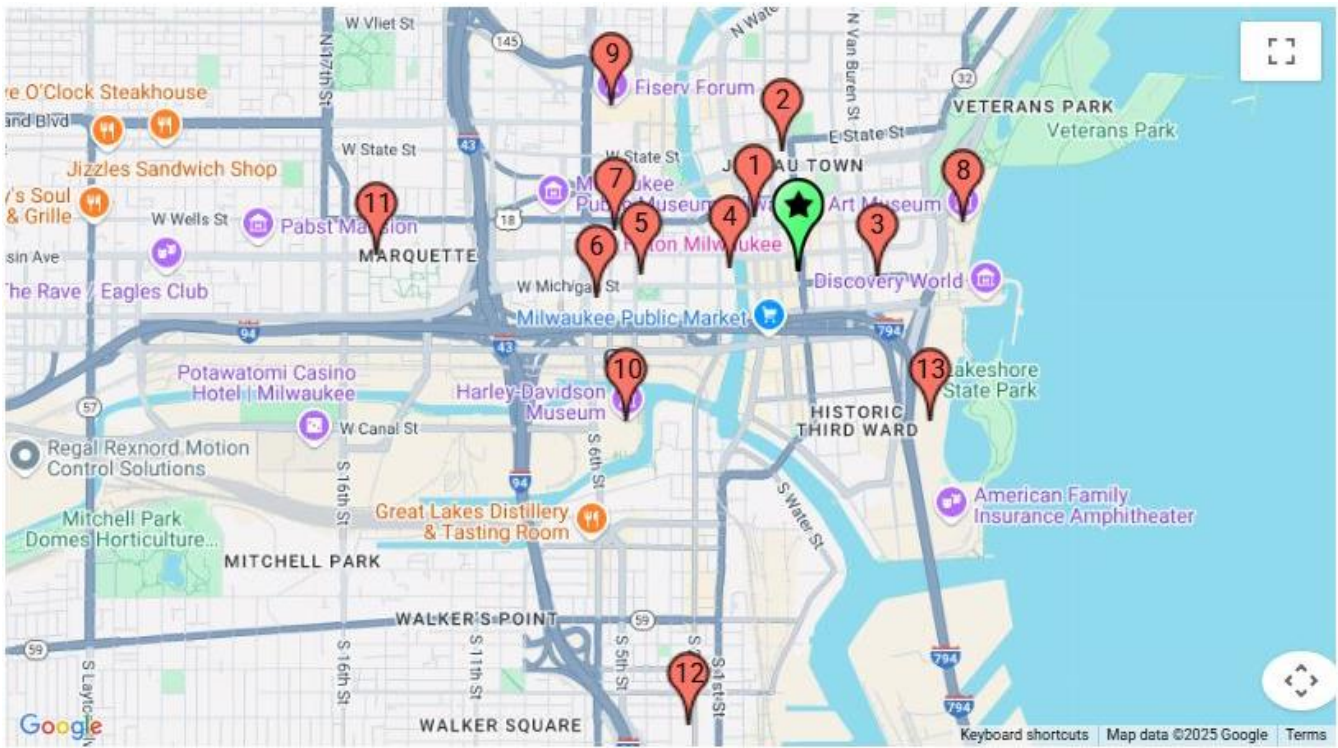
## MAP OF NEIGHBORHOOD



### Proximity to Local Demand Generators and Attractions

The subject property is located near the area's primary generators of lodging demand. A sample of these demand generators is reflected on the following map, including respective distances from and drive times to the subject property. Overall, the subject property is well situated with respect to demand generators.

## ACCESS TO DEMAND GENERATORS AND ATTRACTIONS



	<u>Demand Generator</u>	<u>Approx. Time from Subject Property</u>	<u>Approx. Distance</u>
	Subject Property		
1	BMO Harris Bank	🚗 1 minute	0.3 mile
2	Northwestern Mutual	🚗 1 minute	0.3 mile
3	U.S. Bank Center	🚗 1 minute	0.3 mile
4	Enerpac Tool Group	🚗 2 minutes	0.3 mile
5	Fiserv, Inc.	🚗 2 minutes	0.5 mile
6	Milwaukee Tool	🚗 3 minutes	0.6 mile
7	Baird Center	🚗 3 minutes	0.6 mile
8	Milwaukee Art Museum	🚗 3 minutes	0.6 mile
9	Fiserv Forum	🚗 5 minutes	1.0 mile
10	Harley-Davidson Museum	🚗 5 minutes	1.2 miles
11	Marquette University	🚗 6 minutes	1.4 miles
12	Rockwell Automation, Inc.	🚗 6 minutes	1.6 miles
13	Henry Maier Festival Park	🚗 7 minutes	5.2 miles

**Utilities**

According to property ownership, the subject site is served by all necessary utilities.

**Soil and  
Subsoil Conditions**

Geological and soil reports were not provided to us or made available for our review during the preparation of this report. We are not qualified to evaluate soil conditions other than by a visual inspection of the surface; no extraordinary conditions were apparent.

**Nuisances  
and Hazards**

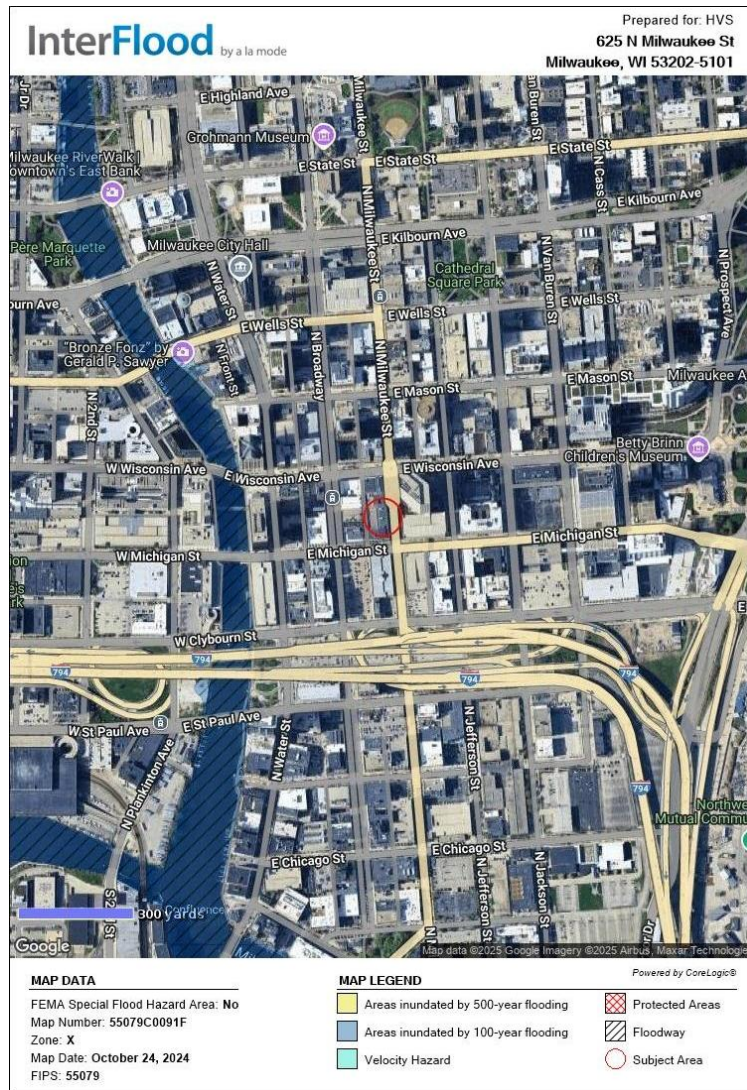
We were not informed of any site-specific nuisances or hazards, and there were no visible signs of toxic ground contaminants at the time of our inspection. Because we are not experts in this field, we do not warrant the absence of hazardous waste and urge the reader to obtain an independent analysis of these factors.

**Flood Zone**

According to the Federal Emergency Management Agency map illustrated below, the subject site is located in Zone X.



## COPY OF FLOOD MAP AND COVER



The flood zone definition for the Zone X designation is as follows: the flood insurance rate zone that corresponds to areas outside the 100-year floodplains, areas of 100-year sheet flow flooding where average depths are less than 1 foot, areas of 100-year stream flooding where the contributing drainage area is less than 1 square mile, or areas protected from the 100-year flood by levees. No Base Flood Elevations or depths are shown within this zone.

## Zoning

According to the local planning office, the subject property is zoned as follows: C9F(A) - Office and Service Downtown District. Additional details pertaining to the subject property's zoning regulations are summarized in the following table.

**FIGURE 3-2 ZONING**

Municipality Governing Zoning	City of Milwaukee
Current Zoning	Office and Service Downtown District
Current Use	Hotel
Is Current Use Permitted?	Yes
Is Change in Zoning Likely?	No
Permitted Uses	Hotel, Convention Center, Recreational Facility, and Business Services
Hotel Allowed	Yes
Legally Non-Conforming	Not Applicable

We assume that all necessary permits and approvals have been secured (including the appropriate liquor license as applicable) and that the subject property was constructed in accordance with local zoning ordinances, building codes, and all other applicable regulations. Our zoning analysis should be verified before any physical changes are made to the site.

## Legal Description, Easements and Encroachments

A copy of the subject property's legal description is provided in the addenda to this report. We are not experts in interpreting legal descriptions. The description appears to be accurate; however, we suggest obtaining verification of this description from a qualified expert. We are not aware of any easements or encroachments encumbering the property that would significantly affect its utility or marketability.

## Land Conclusion

We have analyzed the issues of size, topography, access, visibility, and the availability of utilities. The subject site is favorably located in a downtown neighborhood near several large demand generators. In general, the site is well suited for hotel use, with acceptable access, visibility, and topography for an effective operation.

**IMPROVEMENTS**

The quality of a lodging facility's physical improvements has a direct influence on its marketability and attainable occupancy and ADR. The design and functionality of the structure can also affect operating efficiency and overall profitability. Tanya J. Pierson, MAI inspected the subject property on April 29, 2025;

**Property Overview**

The Milwaukee Marriott Downtown is a full-service lodging facility containing 205 total rentable units. The hotel was designed and developed as a Marriott in 2013, and a portion of the façade of a historic building was preserved in the construction; the configuration and array of facilities and amenities are consistent with brand standards as of that date. The property has undergone select updates since its opening, but the appraisers were not informed of any significant renovations. The hotel is currently in good condition, although many areas showing signs of wear and tear and/or appearing somewhat dated by prevailing standards. We are of the opinion that a new owner would be required to undertake a significant renovation in connection with a new Marriott franchise agreement. The scope of the necessary renovations would be determined by a property improvement plan (PIP) prepared by Marriott; however, management noted that a PIP has not been completed, nor were anticipated renovation cost estimates available. Based on our inspection of the hotel and our understanding of current Marriott brand standards, we have estimated the scope and cost of the renovations that a buyer would be expected to complete. The areas anticipated to require renovation will be presented subsequently in this chapter; furthermore, the cost of these renovations forms the basis for the capital deduction that is incorporated in our opinion of the “as is” value of the hotel. If the scope and related costs of the actual PIP differs from the estimated capital deduction, our value conclusion could be affected.

**SUBJECT PROPERTY – FRONT OF HOTEL****SUBJECT PROPERTY – BACK OF HOTEL****Summary of the Facilities**

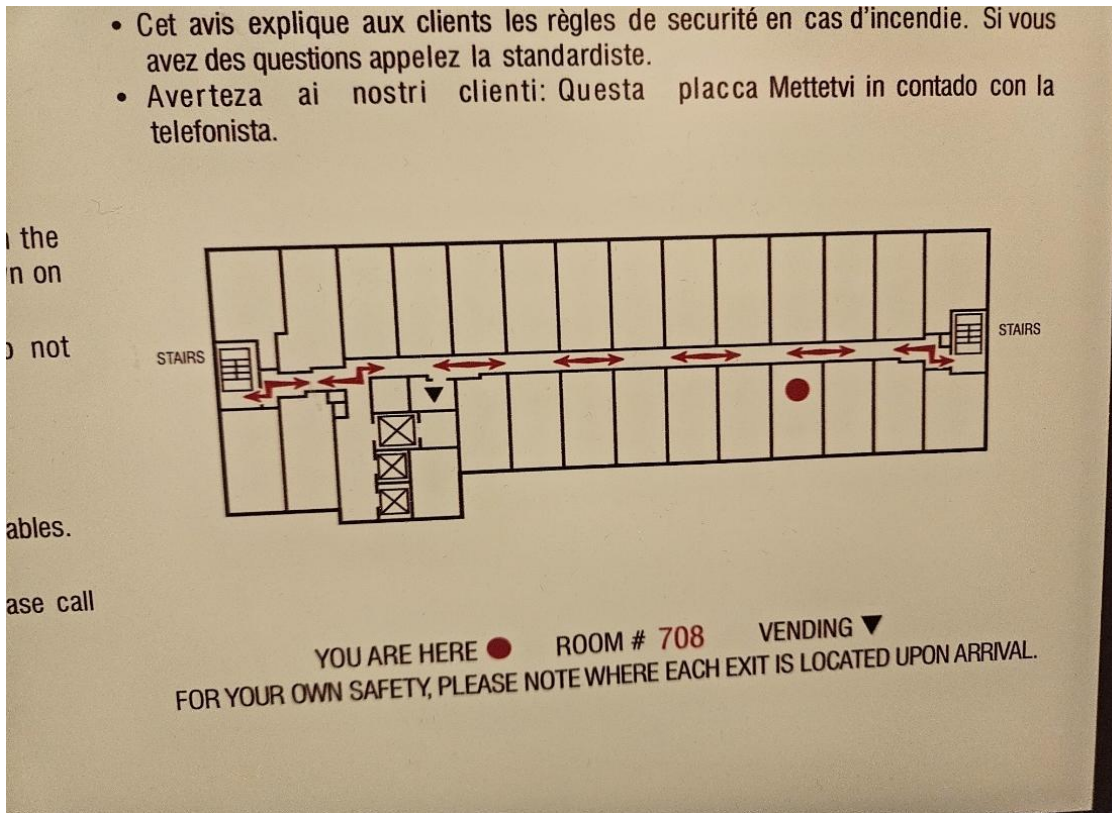
Based on our research and information provided by management representatives of the subject property, the following table summarizes the facilities available at the subject property.

**FIGURE 3-3 FACILITIES SUMMARY**

<b>Guestroom Configuration</b>		<b>Number of Units</b>
King		112
Queen/Queen		92
Suite		1
Total		205
<b>Food &amp; Beverage Facilities</b>		<b>Seating Capacity</b>
East Town Kitchen + Bar		
Restaurant		100
Bar		45
Private Dining Room		36
Private Dining Room		6
<b>Indoor Meeting &amp; Banquet Facilities</b>		<b>Square Footage</b>
East Side Ballroom		5,280
Governor's Room		1,053
Mayor's Room		1,034
Jackson Street		906
Brewery		317
Tavern		317
Total		8,907
<b>Amenities &amp; Services</b>		
Fitness Room		Lobby Library
Concierge Lounge		Two Business Workstations
Market Pantry		Room Service
<b>Infrastructure</b>		
Parking Spaces		45 (valet only)
Elevators		3 Guest
Life-Safety Systems		Sprinklers, Smoke Detectors
Construction Details		Steel, Reinforced Concrete, Precast Masonary



## PROPERTY LAYOUT



### Site Improvements and Hotel Structure

The hotel occupies one nine-story building that is positioned in the center of the site. No onsite self-parking is available; however, valet parking service is available at the entrance. The property is located in a downtown neighborhood, so other site improvements are limited to well-kept city sidewalks. Hotel signage is located on the façade of the structure. The hotel's main entrance, located on the east side of the building, leads directly into the lobby. The first floor houses the hotel's main lobby and East Town Kitchen + Bar restaurant. The primary meeting space is also located on the first floor, with additional meeting space located on the second floor. The first and subterranean levels house the back-of-the-house space. The guestrooms are located on the second through ninth floors, and are serviced by three elevators. At the time of our inspection, one elevator was out of service, and in the process of being replaced. Management noted that a second elevator was requiring frequent maintenance and may need to be replaced in the future. HVAC compressors that control temperature and humidity in the guestrooms and corridors at the property were reportedly replaced in 2024. Upon our inspection, the site improvements and

the structure appeared to be in good condition, with no other deficiencies noted by management.

The subject hotel's primary food and beverage outlet is the East Town Kitchen + Bar, a contemporary American restaurant that features a dining room, a bar, and private dining spaces. The restaurant is open daily for breakfast, lunch, and dinner. The hotel also offers roughly 8,900 square feet of meeting space located on the first and second floors. Hotel amenities include a fitness room, a concierge lounge (which offers a complimentary breakfast buffet to guests with access), two business workstations, and a market pantry. Prior to the pandemic, the property also featured an indoor pool, and two retail spaces including a Starbucks and a jewelry store (leased). The indoor pool area is expected to remain out of order, with a future change in use when the property is renovated. The Starbucks and jewelry store spaces are not anticipated to be reopened in the near future. The public areas of the hotel are functional and appeared to be well kept upon inspection, but with signs of wear and tear, considered to be in good condition.

#### LOBBY SEATING AREA



#### FRONT DESK





## RESTAURANT AND BAR



## PRIVATE DINING ROOM



## CONCIERGE LOUNGE DINING



## CONCIERGE LOUNGE SEATING





## MEETING ROOM



## MEETING ROOM



## PRE-FUNCTION AREA



## BUSINESS WORKSTATION (LOBBY)



## FITNESS ROOM



## POOL (CLOSED)



## FORMER STARBUCKS OUTLET

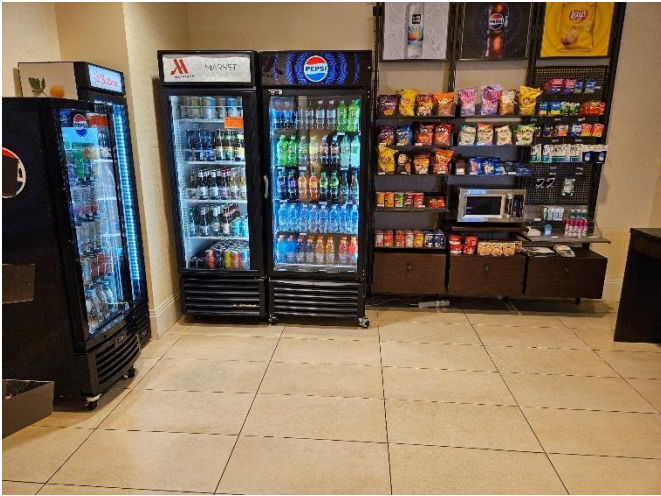


## FORMER JEWELRY STORE SPACE





## MARKET PANTRY



## LOBBY LIBRARY



## Guestrooms

The hotel features standard and suite-style guestroom configurations, which offer typical amenities for this hotel's upper-upscale asset class. The guestroom bathrooms are standard in size, featuring either a shower stall or a shower-in-tub and single-sink vanity area. The suite reportedly provides a separate seating area. Overall, the guestrooms observed were in good condition, although somewhat dated in appearance and showing some evidence of wear and tear. The guest bathrooms observed were in a similar condition to the guestroom. The interior guestroom corridors were in good condition upon inspection.

**FIGURE 3-4 SUMMARY OF ROOM TYPES**

Guestroom Configuration	Number of Units
King	112
Queen/Queen	92
Suite	1
Total	205

**TYPICAL GUESTROOM – SLEEPING AREA**



**TYPICAL GUESTROOM – LIVING AREA**



**TYPICAL GUESTROOM BATHROOM – SINK**



**TYPICAL GUESTROOM BATHROOM – SHOWER**





**TYPICAL GUESTROOM BATHROOM - TUB****GUESTROOM CORRIDOR****Back-of-the-House**

The hotel is served by the necessary back-of-the-house space, including an in-house laundry facility, administrative offices, and a full-service kitchen (adjacent to the restaurant). The kitchen facilities are appropriate for the scope of service provided, appearing to be in good condition; no significant or persistent problems were reported by hotel management. The in-house laundry facility contains three large-capacity washers and two dryers. Aside from the previously noted elevator, the hotel's back-of-the-house equipment and appliances were reported to be operational at the time of inspection, appearing to be in good condition.

**LAUNDRY FACILITY****KITCHEN AREA****ADA and Environmental**

According to information provided by management representatives, there are no environmental hazards present in the subject property's improvements, nor did we observe any. The property reportedly complies with the Americans with Disabilities Act.

**Functional Obsolescence**

Due to the age of the subject property, which was constructed twelve years ago, some functional obsolescence is to be expected. However, upon our inspection, we found no major components or aspects of the property's design that significantly limit its profitability.

**Effective Age and Remaining Economic Life**

Our opinion of effective age and remaining economic life for the building is presented as follows:

**FIGURE 3-5 EFFECTIVE AGE AND REMAINING ECONOMIC LIFE**

Typical Economic Life	60 Years
Chronological Age	12
Effective Age	10
Remaining Economic Life	50

Hotels are typically renewed on a regular basis. With good ongoing maintenance and regular upgrading, the remaining economic life can be periodically extended.

**Capital Expenditures**

Major expenditures in 2019 included the purchase of a Combi oven, computer upgrades, and A/V equipment. In 2020 and 2021, expenditures included kitchen equipment, fireplace glass, voicemail system upgrades, and a door switch. Expenditures in 2022 and 2023 included software upgrades, private dining room renovation, repairs to sewer and refrigeration systems, and miscellaneous equipment. In 2024, expenditures included additional upgrades for the private dining room, elevator replacement, HVAC compressor, and minor other replacements and upgrades. No major capital was reportedly spent in the year-to-date 2025 period.

**Assumed or Projected  
Capital Improvements**

Management noted that a renovation was needed. A bare minimum expenditure to update carpeting and wall vinyl was estimated at \$2 million by management, with the possibility that the cost could increase upward to between \$25,000 to \$35,000 per room for a more extensive property renovation depending on Marriott review; however, a PIP reportedly had not been completed and the required scope was uncertain.

The following table illustrates our forecast of capital expenditures going forward and the resulting capital deduction applied to our analysis. We have selected the specific cost of each update outlined below from within the appropriate range of costs sourced from the *Nehmer and HVS Design Hotel Cost Estimating Guide*. Based on our inspection of the hotel, information provided by management and the current ownership, our understanding of current brand standards, and our review of renovation projects for similar hotels, we have determined the scope of the renovations a new owner could expect to undertake in connection with a new franchise agreement. It should be noted that we are not professional cost estimators, and the actual cost of the capital improvements could vary significantly from this analysis; thus, we recommend that any interested party obtain a professional cost estimate.



**FIGURE 3-6 CAPITAL DEDUCTION**

Upper-Upscale	Low	High	Average	Selected	Unit Type	Unit	Total
<b>Guestrooms</b>							
Rooms							
Softgoods (soft costs, décor, bedding, carpeting, lighting, seating, paint, wallcovering, drapes, mattresses, case goods, flat-panel television)	\$15,775	\$23,035	\$19,520	\$17,500	Per Guestroom	205	\$3,587,500
Bathrooms							
Softgoods (soft costs, décor, lighting, paint, wallcovering, accessories, re-grouting, door, fixtures, vanity, flooring)	\$6,175	\$9,664	\$7,913	\$7,000	Per Guestroom	205	\$1,435,000
Corridors							
Softgoods (soft costs, décor, carpeting, millwork, lighting, case goods, flooring, ice machine, paint, signage, wallcovering, drapes)	\$1,754	\$2,585	\$2,185	\$2,200	Per Guestroom	205	\$451,000
<b>Guestrooms Total</b>							<b>\$5,473,500</b>
<b>Per Room</b>							<b>\$26,700</b>
<b>Public Spaces</b>							
Lobby and Guest Support							
Softgoods (soft costs, décor, carpeting, flooring, millwork, paint, wallcovering, drapes, case goods, lighting, business center)	\$225,694	\$337,797	\$283,305	\$285,000	Total	1	\$285,000
Marketplace/Sundries Shop							
Softgoods (0, cabinetry, paint, lighting)	\$7,686	\$10,590	\$9,330	\$9,000	Total	1	\$9,000
Public Restrooms							
Softgoods (soft costs, décor, paint, wallcovering, lighting)	\$32,970	\$50,817	\$41,719	\$40,000	Total	1	\$40,000
<b>Public Spaces Total</b>							<b>\$334,000</b>
<b>Per Room</b>							<b>\$1,629</b>
<b>Food &amp; Beverage Facilities</b>							
Restaurant							
Softgoods (soft costs, décor, millwork, seating, ceiling, paint, wallcovering, drapes)	\$155,108	\$218,751	\$186,600	\$190,000	Total	1	\$190,000
<b>Food &amp; Beverage Facilities Total:</b>							<b>\$190,000</b>
<b>Per Room</b>							<b>\$927</b>

**FIGURE 3-7 CAPITAL DEDUCTION (CON'T)**

Upper-Upscale	Low	High	Average	Selected	Unit Type	Unit	Total
Function Spaces							
Pre-function							
Softgoods							
(soft costs, paint, carpeting, millwork, lighting, wallcovering, drapes, seating)	\$102,557	\$140,488	\$122,859	\$120,000	Total	1	\$120,000
Ballroom							
Softgoods							
(soft costs, paint, carpeting, millwork, lighting, wallcovering, décor)	\$74,262	\$106,873	\$90,507	\$90,000	Total	1	\$90,000
Meeting Rooms							
Softgoods							
(soft costs, carpeting, paint, millwork, lighting, wallcovering, drapes, décor)	\$224,855	\$324,472	\$276,833	\$275,000	Total	1	\$275,000
Board Rooms							
Softgoods							
(soft costs, carpeting, paint, millwork, lighting, wallcovering, drapes, seating, décor)	\$50,232	\$69,373	\$59,742	\$50,000	Total	1	\$50,000
<b>Function Spaces Total</b>							<b>\$535,000</b>
<b>Per Room</b>							<b>\$2,610</b>
Guest Amenities							
Exercise Facility							
Softgoods							
(soft costs, décor, accessories, flooring, carpeting, paint, wallcovering, equipment)	\$134,418	\$187,751	\$162,458	\$160,000	Total	1	\$160,000
<b>Guest Amenities Total</b>							<b>\$160,000</b>
<b>Per Room</b>							<b>\$780</b>
Other							
Common Additives							
(Elevator Cab Finishes)	\$26,726	\$38,967	\$33,005	\$30,000	Total	1	\$30,000
2025 Budgeted Items							
Technology upgrades, flooring							
*Management estimates	\$0	\$0	\$0	\$125,768	Total	1	\$125,768
<b>Other Total</b>							<b>\$155,768</b>
<b>Per Room</b>							<b>\$760</b>
							<b>Total:</b>
							<b>\$6,848,268</b>
							<b>Per Room:</b>
							<b>\$33,406</b>
<b>Future Capital Assumption</b>							
			<b>Total</b>	<b>Per Room</b>			
CapEx Assumed by HVS (rounded)			\$6,800,000	\$33,171			
Less: Year 1 Allocation Reserve for Replacement of			75%	\$528,279			
Less: Year 2 Allocation Reserve for Replacement of			75%	\$581,213			
Indicated Capital Deduction:				\$5,690,508			
<b>Capital Deduction Rounded to:</b>				<b>\$5,700,000</b>			
				<b>\$27,800</b>			

As no significant renovations have reportedly been performed at the subject property since its 2013 opening, we have assumed that a brand-mandated PIP would be issued to new ownership. Therefore, we have assumed a capital deduction in our analysis, as reflected in the table. The capital deduction is expected to primarily address updates to the guestroom and public-area softgoods that are typically replaced on a seven-year cycle, as well as select case goods in addition to items anticipated by management including door lock upgrades and new computers. Our projections assume that a renovations would occur during the winter months, to have the least impact on operations during periods of lower occupancy. Therefore, we assume that renovations would take place beginning in late 2025 and into the first few months of 2026.

To estimate the cost of this assumed renovation, we have relied on data from the Hotel Cost Estimating Guide published by Nehmer and HVS Design, as well as renovation budgets from comparable assets. In addition to the capital deduction, our forecast of income and expense incorporates a reserve for replacement in recognition of the future renovation needs of the property, which is consistent with accepted industry norms for a property of this type. If the scope and related costs of the actual PIP differs from the estimated capital deduction, our value conclusion could be affected. This appraisal also assumes an ongoing preventive maintenance program and appropriate management and ownership oversight. Investors recognize that additional capital may be required over the holding period, and this expectation is factored into their return requirements. Our selected discount and capitalization rates are based on market requirements, implicitly considering potential additional capital investments that may be required during the holding period.

#### Improvements Conclusion

Overall, the subject property offers a well-designed, functional layout of support areas and guestrooms. The asset benefits from its full-service amenities; however, the hotel has not undergone any major renovations since its 2013 opening and suffers from some dated design elements and aging FF&E.

## 4. Market Area Analysis

The economic vitality of the market area and neighborhood surrounding the subject property is an important consideration in forecasting lodging demand and income potential. Economic and demographic trends that reflect the amount of visitation provide a basis from which to project lodging demand. The purpose of the market area analysis is to review available economic and demographic data to determine whether the local market will undergo economic growth, stabilize, or decline. In addition to predicting the direction of the economy, the rate of change must be quantified. These trends are then correlated based on their propensity to reflect variations in lodging demand, with the objective of forecasting the amount of growth or decline in visitation by individual market segment (e.g., commercial, meeting and group, and leisure).

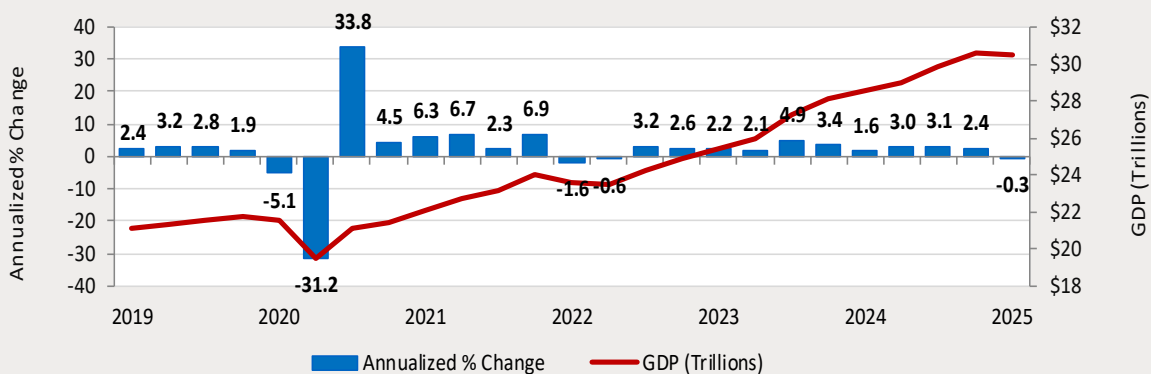
### National Economic Overview

The local market and economy are influenced by national trends; thus, consideration of these trends is an important premise to this market-area analysis. The U.S. economy was severely affected by the COVID-19 pandemic, as illustrated in the following discussion. The onset of the pandemic resulted in decreased business activity, causing widespread economic hardships, including higher levels of unemployment. The depth and duration of this impact was influenced by the course of the pandemic and the nature and extent of restrictions on business and travel activity; the period of greatest impact was 2020. The shift of work locations from office environments to home offices also limited corporate transient and group travel. By all measures, the national economy had recovered from this downturn by year-end 2024, having recorded notable growth, while some select markets and sectors had experienced slower growth and were continuing to recover as of early 2025.

Gross domestic product (GDP) is a key measure of a country's economic health and trends. Research has also identified a high degree of correlation between GDP and lodging demand. For the eight quarters leading up to 2020, GDP quarterly growth ranged between 0.9% and 3.8%, reflecting moderate economic expansion. The impact of the pandemic was considerable in 2020. As shutdowns halted major components of the U.S. economy from mid-March through May, GDP contracted by an annualized rate of 31.2% in Q2 2020, the largest such decline in U.S. history. While shocking, this GDP decline was offset by a significant rebound in economic activity in Q3 2020, greatly moderating the overall impact for the year. The U.S. economy grew by 33.8% on an annualized basis in the third quarter, followed by more modest gains in the five quarters that followed through the end of 2021, with GDP having surpassed the pre-pandemic peak by Q1 2021. A pullback during the

first half of 2022 was driven by the trade deficit and decreases in government spending and inventory investment, although the decline was offset by gains during the second half of the year.

**FIGURE 4-1 UNITED STATES GDP GROWTH RATE**



Sources: tradingeconomics.com, Bureau of Economic Analysis

The positive trend continued through 2023 and 2024, registering 2.5% and 2.4% increases for the year, respectively, and then declined slightly (-0.3%) in the first quarter of 2025. According to the April 30, 2025, report from the Bureau of Economic Analysis, "The decrease in real GDP in the first quarter primarily reflected an increase in imports, which are a subtraction in the calculation of GDP, and a decrease in government spending. These movements were partly offset by increases in investment, consumer spending, and exports." After a period of low transaction volume, 2025 was expected to bring a more active deal environment given this recent stability in growth; however, the announcement of sweeping tariffs in early April 2025 and the resulting decline of the stock market have prompted heightened uncertainty regarding the future direction of the economy. We will be closely monitoring how these changes impact employment, hotel demand, ADRs, and, ultimately, hotel values.

The Wall Street Journal (WSJ) publishes an economy forecasting survey each quarter. Per the latest survey (January 2025), economists were optimistic that the United States would avoid a recession, reporting an average 22.0% probability that the country would experience a recession during the next twelve months (39.0% was the average probability level for the same question in January 2024). Citing just one example, JPMorgan's economic analysts announced on April 4, 2025, that they now believe the chance for a recession is significantly higher, at 60.0%, following



the tariff announcement. While the economy had continued to perform well, with the average probability level declining with each survey, a notable shift is underway. Key averages from the latest release are illustrated in the following table.

**FIGURE 4-2 GDP, CPI, AND UNEMPLOYMENT PREDICTIONS**

**Real GDP, Quarterly Annualized Growth Rate**

1st Quarter 2025	2.17 %
2nd Quarter 2025	2.00
3rd Quarter 2025	1.95
4th Quarter 2025	1.95

**Real GDP, Year-Over-Year Growth Rate**

2025	2.00 %
2026	2.00
2027	2.04

**CPI, Year-Over-Year Change**

June 2025	2.56 %
December 2025	2.69
June 2026	2.66
December 2026	2.57

**Unemployment, Annual Level**

June 2025	4.24 %
December 2025	4.26
June 2026	4.21
December 2026	4.19

Source: Wall Street Journal Economic Forecasting  
Survey, January 2025

Driven by supply-chain disruptions and pent-up consumer demand, prices for most goods and services increased substantially in the wake of the pandemic; the CPI increased by 7.0% in 2021 and 6.5% in 2022. The Fed addressed inflation through successive interest-rate hikes (seven in 2022, and another four in 2023), and the pace of inflation decelerated, falling to the low 3.0% range by the end of 2023. While inflation had increased to 3.5% by March 2024, it has illustrated a slow and gradual decline since this point, registering a relatively low 2.4% as of September 2024. In September, the Fed cut the federal funds rate for the first time since the COVID-19 pandemic, acknowledging the positive economic data and lower inflation in recent months, and two additional cuts followed in November and December. Prior to the September meeting, the target rate was between 5.25% and 5.5%. As of early 2025, it now stands between 4.25% and 4.5%. No change was made to the lending rate

during the Fed's January 2025 meeting, and recent comments by the Federal Reserve Chairman indicated no plans to further decrease rates, pending greater clarity concerning the impact of the current administration's policies on the economy.

The successive increases in GDP, lower inflation levels, cuts to the Fed rate in 2024, and strong job growth through Q1 2025 painted a positive picture of the U.S. economy. However, the first week of April 2025 sparked a notable change for this picture with the announcement of hefty tariffs, resulting in a weaker U.S. stock market; as such, expectations have emerged that a recession in the near term is much more likely. Nevertheless, it is unclear how the new policies of the current administration will ultimately impact the economy and the hotel sector.

Per the WSJ survey, unemployment levels are anticipated to remain relatively stable, hovering near the 4.3% mark. In the October 2024 survey (no questions were posed for the January 2025 survey), the economists also opined on potential changes in metrics based on the election outcome. Most believe that inflation would increase under a Republican administration, due in large part to proposed tariffs. However, at the time, the WSJ reported that administration's influence over the economy is nevertheless limited, and more important factors are the business cycle, external shocks (such as the price of oil), and the Fed's interest rate policy. Accordingly, economists surveyed expect inflation to remain somewhat elevated, at just over 2.5% by June 2025, followed by an uptick, rising to roughly 2.7% by the end of this year.

Within the hospitality industry, labor availability and costs remain a concern for hotel operators, although these issues have diminished somewhat since the height of the pandemic. Inflation benefited the industry by supporting strong ADR growth in most markets but also resulted in increased expenses, which put pressure on profitability. Inflation moderated significantly and was approaching the Fed's target of 2.0% at the end of Q1 2025, which was considered a positive factor; however, the impact of the announced tariffs may reverse this trend of inflation. We continue to closely monitor how these policy changes are affecting the U.S. lodging market and the local market analyzed within this report, as explained in the following chapter.

In preparing this report, we have considered the impact of these factors on the lodging and investment markets to the best of our ability. However, our analysis only considers what is known at the time of the effective date of the report, and there is a high degree of uncertainty currently influencing the market and the economy.

#### **Market Area Definition**

The market area for a lodging facility is the geographical region where the sources of demand and the competitive supply are located. The subject property is located in the city of Milwaukee, the county of Milwaukee, and the state of Wisconsin.

Milwaukee is the largest city in the state of Wisconsin and enjoys a diverse economy, with the consumer services, manufacturing, and technological industries exhibiting some dominance. Many of the manufacturing companies in the area have an international customer base, which generates visitation to the Milwaukee area and corresponding demand for hotel nights. Healthcare entities and related companies generate a constant stream of demand in relation to training sessions and industry conferences. Additionally, Milwaukee is home to the University of Wisconsin-Milwaukee, Marquette University, Concordia University, and the Milwaukee School of Engineering. These institutions provide a diverse education serving the needs of the area employers. For many years, Milwaukee was the top beer-producing city in the world; however, following consolidation and closures, only one major brewery remains in the city. Home of MillerCoors, Milwaukee is world-renowned for its Harley-Davidson motorcycles and festivals along the shores of Lake Michigan.

The subject property's market area can be defined by its Combined Statistical Area (CSA): Milwaukee-Racine-Waukesha, WI. The CSA represents adjacent metropolitan and micropolitan statistical areas that have a moderate degree of employment interchange. Micropolitan statistical areas represent urban areas in the United States based around a core city or town with a population of 10,000 to 49,999; the MSA requires the presence of a core city of at least 50,000 people and a total population of at least 100,000 (75,000 in New England). The following exhibit illustrates the market area.



**FIGURE 4-3 ECONOMIC AND DEMOGRAPHIC DATA SUMMARY**

	2010	2020	2024	2029	Avg. Annual Compounded Chg.		
					2010-20	2010-24	2024-29
<b>Resident Population (Thousands)</b>							
Milwaukee County	948.7	938.6	918.1	926.2	(0.1) %	(0.2) %	0.2 %
Milwaukee-Waukesha, WI MSA	1,557.4	1,574.5	1,564.6	1,583.1	0.1	0.0	0.2
Milwaukee-Racine-Waukesha, WI CSA	2,027.7	2,052.9	2,042.3	2,066.8	0.1	0.1	0.2
State of Wisconsin	5,692.1	5,896.7	5,933.9	6,041.9	0.4	0.3	0.4
United States	309,382.3	331,526.9	337,214.9	348,565.1	0.7	0.6	0.7
<b>Per-Capita Personal Income*</b>							
Milwaukee County	\$41,447	\$48,406	\$51,122	\$54,853	1.6	1.5	1.4
Milwaukee-Waukesha, WI MSA	48,198	57,845	61,298	65,612	1.8	1.7	1.4
Milwaukee-Racine-Waukesha, WI CSA	46,383	55,913	59,081	63,094	1.9	1.7	1.3
State of Wisconsin	43,140	52,972	55,130	58,808	2.1	1.8	1.3
United States	44,807	56,530	59,191	63,789	2.4	2.0	1.5
<b>W&amp;P Wealth Index</b>							
Milwaukee County	89.9	84.7	85.3	84.9	(0.6)	(0.4)	(0.1)
Milwaukee-Waukesha, WI MSA	105.5	102.1	103.1	102.5	(0.3)	(0.2)	(0.1)
Milwaukee-Racine-Waukesha, WI CSA	102.1	99.2	99.8	99.0	(0.3)	(0.2)	(0.2)
State of Wisconsin	96.3	94.9	94.0	93.1	(0.2)	(0.2)	(0.2)
United States	100.0	100.0	100.0	100.0	0.0	0.0	0.0
<b>Food and Beverage Sales (Millions)*</b>							
Milwaukee County	\$1,542	\$1,773	\$2,175	\$2,415	1.4	2.5	2.1
Milwaukee-Waukesha, WI MSA	2,434	2,779	3,457	3,850	1.3	2.5	2.2
Milwaukee-Racine-Waukesha, WI CSA	2,968	3,366	4,190	4,670	1.3	2.5	2.2
State of Wisconsin	7,855	8,662	10,897	12,104	1.0	2.4	2.1
United States	502,827	611,998	777,882	881,337	2.0	3.2	2.5
<b>Total Retail Sales (Millions)*</b>							
Milwaukee County	\$11,985	\$13,088	\$14,667	\$15,709	0.9	1.5	1.4
Milwaukee-Waukesha, WI MSA	22,260	25,155	28,640	30,796	1.2	1.8	1.5
Milwaukee-Racine-Waukesha, WI CSA	27,903	32,033	36,481	39,233	1.4	1.9	1.5
State of Wisconsin	84,454	104,644	120,338	130,336	2.2	2.6	1.6
United States	4,638,710	5,826,739	6,781,526	7,456,593	2.3	2.7	1.9

\* Inflation Adjusted

Source: Woods & Poole Economics, Inc.



**Workforce  
Characteristics**

The U.S. population grew at an average annual compounded rate of 0.6% from 2010 through 2024. The county's population has declined modestly; the average annual growth rate of -0.2% between 2010 and 2024 reflects a relatively stable area. Per-capita personal income increased slowly, at 1.5% on average annually for the county between 2010 and 2024. Local wealth indexes have remained stable in recent years, registering a modest 85.3 level for the county in 2024.

Food and beverage sales totaled \$2,175 million in the county in 2024, versus \$1,542 million in 2010. This reflects a 2.5% average annual change. The pace of growth is anticipated to be 2.1% through 2029. The retail sales sector demonstrated an annual increase of 1.5% from 2010 to 2024. An increase of 1.4% average annual change is expected in county retail sales through 2029.

The characteristics of an area's workforce provide an indication of the type and amount of transient visitation likely to be generated by local businesses. Sectors such as finance, insurance, and real estate (FIRE); wholesale trade; and services produce a considerable number of visitors who are not particularly rate sensitive. The government sector often generates transient room nights, but per-diem reimbursement allowances often limit the accommodations selection to budget and mid-priced lodging facilities. Contributions from manufacturing, construction, transportation, communications, and public utilities (TCPU) employers can also be important, depending on the company type.

The following table sets forth the county workforce distribution by business sector in 2010, 2020, and 2024, as well as a forecast for 2029.

**FIGURE 4-4 HISTORICAL AND PROJECTED EMPLOYMENT (000S)**

Industry	2010	Percent of Total	2020	Percent of Total	2024	Percent of Total	2029	Percent of Total	Avg. Annual Compounded Chg.		
									2010-2020	2020-2024	2024-2029
Farm	0.1	0.0 %	0.1	0.0 %	0.1	0.0 %	0.1	0.0 %	0.0 %	2.0 %	0.0 %
Forestry, Fishing, Related Activities And Other	0.2	0.0	0.1	0.0	0.1	0.0	0.1	0.0	(3.4)	0.0	(0.1)
Mining	0.3	0.0	0.2	0.0	0.2	0.0	0.2	0.0	(6.1)	2.5	(1.1)
Utilities	2.7	0.5	1.7	0.3	1.6	0.2	1.6	0.2	(4.6)	(1.8)	0.4
Construction	15.4	2.7	16.9	2.9	18.4	2.9	17.9	2.8	0.9	2.1	(0.6)
Manufacturing	53.6	9.3	49.2	8.5	51.0	8.1	51.5	8.0	(0.9)	0.9	0.2
Total Trade	67.1	11.6	64.7	11.1	67.5	10.7	65.7	10.2	(0.4)	1.1	(0.6)
Wholesale Trade	18.6	3.2	18.3	3.1	19.9	3.2	19.2	3.0	(0.2)	2.1	(0.7)
Retail Trade	48.5	8.4	46.5	8.0	47.6	7.6	46.5	7.2	(0.4)	0.6	(0.5)
Transportation And Warehousing	18.3	3.2	28.5	4.9	32.7	5.2	30.7	4.7	4.5	3.4	(1.2)
Information	11.3	1.9	9.8	1.7	10.6	1.7	10.6	1.6	(1.4)	2.0	(0.1)
Finance And Insurance	36.4	6.3	33.2	5.7	36.5	5.8	37.0	5.7	(0.9)	2.4	0.2
Real Estate And Rental And Lease	19.1	3.3	22.4	3.8	25.6	4.1	25.7	4.0	1.6	3.5	0.1
Total Services	288.0	49.8	294.4	50.6	325.9	51.8	346.2	53.6	0.2	2.6	1.2
Professional And Technical Services	31.4	5.4	33.2	5.7	36.7	5.8	37.8	5.8	0.6	2.6	0.6
Management Of Companies And Enterprises	16.1	2.8	18.3	3.1	19.9	3.2	23.3	3.6	1.3	2.1	3.2
Administrative And Waste Services	39.3	6.8	40.5	7.0	43.5	6.9	44.3	6.8	0.3	1.8	0.3
Educational Services	27.5	4.7	26.8	4.6	29.0	4.6	32.0	5.0	(0.2)	2.0	2.0
Health Care And Social Assistance	92.3	15.9	101.9	17.5	106.9	17.0	112.9	17.5	1.0	1.2	1.1
Arts, Entertainment, And Recreation	12.1	2.1	11.0	1.9	15.7	2.5	17.9	2.8	(0.9)	9.2	2.7
Accommodation And Food Services	37.2	6.4	33.2	5.7	42.4	6.7	45.5	7.0	(1.1)	6.3	1.4
Other Services, Except Public Administration	32.2	5.6	29.5	5.1	31.8	5.0	32.6	5.0	(0.9)	1.9	0.5
Total Government	66.4	11.5	60.2	10.3	59.1	9.4	59.2	9.2	(1.0)	(0.4)	0.0
Federal Civilian Government	9.9	1.7	9.8	1.7	9.6	1.5	9.6	1.5	(0.1)	(0.5)	(0.1)
Federal Military	3.1	0.5	2.7	0.5	2.5	0.4	2.5	0.4	(1.4)	(2.2)	0.0
State And Local Government	53.4	9.2	47.6	8.2	47.0	7.5	47.1	7.3	(1.1)	(0.3)	0.1
TOTAL	578.8	100.0 %	581.3	100.0 %	629.4	100.0 %	646.5	100.0 %	0.0 %	2.0 %	0.5 %
MSA	981.2	—	1,017.7	—	1,107.5	—	1,145.0	—	0.4 %	2.1 %	0.7 %
U.S.	172,901.7	—	195,286.6	—	218,894.3	—	232,833.6	—	1.2	2.9	1.2

Source: Woods &amp; Poole Economics, Inc.

The preceding data illustrate the long-term employment trends in this market, including the recent impact of the pandemic and the subsequent recovery. Forecasts developed by Woods & Poole Economics, Inc. anticipate that total employment in the county will change by 0.5% on average annually through 2029. The trend is below the forecast rate of change for the United States as a whole during the same period.

The following table illustrates historical and projected employment, households, population, and average household income data, as provided by REIS for the overall Milwaukee market.

**FIGURE 4-5 HISTORICAL & PROJECTED EMPLOYMENT, HOUSEHOLDS, POPULATION, AND HOUSEHOLD INCOME STATISTICS**

Year	Total Employment	% Chg	Office Employment	% Chg	Industrial Employment	% Chg	Households	% Chg	Population	% Chg	Household Avg. Income	% Chg
2012	825,030	—	239,268	—	172,469	—	638,730	—	1,574,230	—	\$119,724	—
2013	837,630	1.5 %	241,999	1.1 %	171,860	(0.4) %	644,930	1.0 %	1,579,560	0.3 %	115,434	(3.6) %
2014	849,470	1.4	244,764	1.1	173,799	1.1	650,330	0.8	1,584,390	0.3	119,873	3.8
2015	859,570	1.2	245,920	0.5	174,372	0.3	654,520	0.6	1,587,020	0.2	122,831	2.5
2016	864,000	0.5	247,415	0.6	172,694	(1.0)	656,390	0.3	1,585,600	(0.1)	124,681	1.5
2017	869,530	0.6	248,617	0.5	172,281	(0.2)	656,100	(0.0)	1,582,560	(0.2)	129,813	4.1
2018	875,100	0.6	246,592	(0.8)	174,621	1.4	656,810	0.1	1,580,260	(0.1)	135,184	4.1
2019	875,000	(0.0)	244,763	(0.7)	174,940	0.2	655,740	(0.2)	1,577,420	(0.2)	140,016	3.6
2020	821,100	(6.2)	232,234	(5.1)	162,472	(7.1)	644,990	(1.6)	1,569,900	(0.5)	149,291	6.6
2021	841,730	2.5	236,101	1.7	165,986	2.2	649,880	0.8	1,564,410	(0.3)	159,759	7.0
2022	858,330	2.0	239,902	1.6	169,001	1.8	654,610	0.7	1,569,740	0.3	166,634	4.3
2023	859,570	0.1	237,752	(0.9)	167,248	(1.0)	657,120	0.4	1,579,020	0.6	175,079	5.1
2024	855,550	(0.5)	235,907	(0.8)	167,351	0.1	659,060	0.3	1,585,130	0.4	182,660	4.3
<b>Forecasts</b>												
2025	860,740	0.6 %	237,693	0.8 %	168,157	0.5 %	662,820	0.6 %	1,586,170	0.1 %	189,231	3.6 %
2026	861,400	0.1	238,523	0.3	167,978	(0.1)	665,260	0.4	1,585,430	(0.0)	196,001	3.6
2027	861,620	0.0	239,410	0.4	167,725	(0.2)	667,180	0.3	1,584,260	(0.1)	202,485	3.3
2028	862,250	0.1	240,419	0.4	167,406	(0.2)	669,100	0.3	1,582,800	(0.1)	209,036	3.2
2029	862,670	0.0	241,392	0.4	166,822	(0.3)	671,060	0.3	1,581,360	(0.1)	216,526	3.6
<b>Average Annual Compound Change</b>												
2012 - 2024		0.3 %		(0.1) %		(0.3) %		0.3 %		0.1 %		3.6 %
Forecast 2025 - 2029		0.1 %		0.4 %		(0.2) %		0.3 %		(0.1) %		3.4 %

Source: REIS Report, 4th Quarter, 2024

For the Milwaukee market, of the roughly 900,000 persons employed, 28% are categorized as office employees, while 20% are categorized as industrial employees. Total employment is expected to expand by 0.6% in 2025, while office employment is forecast to expand by 0.8% in 2025.

The number of households is forecast to increase by 0.3% on average annually between 2025 and 2029. Population is forecast to contract during this same period, at an average annual compounded rate of -0.1%. Household average income is forecast to grow by 3.4% on average annually from 2025 through 2029.

#### **Radial Demographic Snapshot**

The following table reflects radial demographic trends for our market area measured by three points of distance from the subject property.



**FIGURE 4-6 DEMOGRAPHICS BY RADIUS**

	0.00 - 1.00 miles	0.00 - 3.00 miles	0.00 - 5.00 miles
<b>Population</b>			
2030 Projection	24,930	191,685	397,094
2025 Estimate	23,339	192,490	401,835
2020 Census	21,670	197,310	414,971
Percent Change: 2025 to 2030	6.8%	-0.4%	-1.2%
Percent Change: 2020 to 2025	7.7%	-2.4%	-3.2%
<b>Households</b>			
2030 Projection	15,690	86,132	171,594
2025 Estimate	14,517	85,414	171,923
2020 Census	13,120	85,464	174,345
Percent Change: 2025 to 2030	8.1%	0.8%	-0.2%
Percent Change: 2020 to 2025	10.7%	-0.1%	-1.4%
<b>Income</b>			
2025 Est. Average Household Income	\$103,587	\$68,549	\$75,511
2025 Est. Median Household Income	68,705	44,988	51,066
<b>2025 Est. Civ. Employed Pop 16+ by Occupation</b>			
Architecture/Engineering	759	2,867	4,854
Arts/Design/Entertainment/Sports/Media	732	2,865	5,417
Building/Grounds Cleaning/Maintenance	104	3,930	7,519
Business/Financial Operations	2,079	6,122	11,393
Community/Social Services	300	1,540	3,539
Computer/Mathematical	944	2,681	5,200
Construction/Extraction	101	3,065	6,901
Education/Training/Library	943	5,745	13,103
Farming/Fishing/Forestry	4	520	824
Food Preparation/Serving Related	645	7,864	13,575
Healthcare Practitioner/Technician	1,185	5,045	10,742
Healthcare Support	252	4,424	9,636
Installation/Maintenance/Repair	47	1,454	3,408
Legal	276	726	1,949
Life/Physical/Social Science	356	1,496	2,596
Management	2,851	9,502	19,296
Office/Administrative Support	1,345	8,896	19,870
Production	447	8,673	18,073
Protective Services	103	1,292	3,233
Sales/Related	1,299	6,567	14,855
Personal Care/Service	342	2,302	4,364
Transportation/Material Moving	408	7,068	15,330

Source: EnviroNics Analytics

This source reports a population of 401,835 and 171,923 households within a five-mile radius of the subject property. The average household income is currently reported at \$75,511, while the median is \$51,066.

### Unemployment Statistics

The following table presents historical unemployment rates for the subject property's market area, the state, and the nation.

**FIGURE 4-7 UNEMPLOYMENT STATISTICS**

Year	City	MSA	State	U.S.
2015	6.6 %	4.9 %	4.5 %	5.3 %
2016	5.6	4.3	4.0	4.9
2017	4.5	3.5	3.3	4.4
2018	4.0	3.2	3.0	3.9
2019	4.5	3.5	3.3	3.7
2020	9.2	7.3	6.4	8.1
2021	6.3	4.4	3.8	5.4
2022	4.0	3.0	2.8	3.6
2023	3.9	3.0	2.8	3.6
2024	4.2	3.2	3.0	4.0
<i>Recent Month - Mar</i>				
2024	4.5 %	3.6 %	3.5 %	3.9 %
2025	4.8	3.8	3.7	4.2

Source: U.S. Bureau of Labor Statistics

Prior to the pandemic, U.S. unemployment levels were firmly below the 4.6% level recorded in 2006 and 2007, the peak years of the economic cycle prior to the Great Recession. The national unemployment rate during the months leading up to the COVID-19 pandemic were in the 3.5%–3.7% range, reflecting a trend of stability and strength. However, in April 2020, after the onset of the pandemic, unemployment rose to 14.7%, while employment dropped by 20.7 million. Steady gains in employment have been registered since that time; most recently, the national unemployment rate was 4.2% in April 2025. Rises in employment of 102,000, 185,000, and 177,000 people were registered in February, March, and April, respectively. In April, the most significant gains were reported in the health care, transportation and warehousing, financial activities, and social-assistance sectors. Federal government employment declined in April.

Locally, the unemployment rate was 4.2% in 2024; for this same area in 2025, the most recent month's unemployment rate was registered at 4.8%, versus 4.5% for the same month in 2024. As illustrated in the foregoing table, unemployment declined in 2015, and this positive trend generally continued through 2018, with a modest increase noted in 2019. Economic development officials noted that local employment last decade was largely supported by the manufacturing industry and healthcare sector, including healthy employment levels at major employers such as Advocate Aurora Health and Northwestern Mutual. However, unemployment data

## Major Business and Industry

from 2020 illustrate a sharp increase given the effects of the COVID-19 pandemic and related global economic crisis, which included massive furloughs/layoffs. Unemployment declined in 2021 as the economy began to rebound, and this trend continued through 2023. The most recent comparative period shows where the local market stands in 2025 relative to the same month of 2024, reflecting a modest increase, consistent with regional and national trends.

Providing additional context for understanding the nature of the regional economy, the following table presents a list of the major employers in the subject property's market.

**FIGURE 4-8 MAJOR EMPLOYERS**

Rank	Employer	Number of Employees
1	Advocate Aurora Health	39,000
2	Ascension Wisconsin	10,450
3	Northwestern Mutual	8,000
4	Quad	7,000
5	Medical College of Wisconsin	6,730
6	Froedtert Health	6,230
7	GE Healthcare	6,000
8	Children's Wisconsin	5,310
9	Kohl's Corporation	5,000
10	ProHealth Care	4,900

Source: Discover Milwaukee, 2023

Milwaukee's economy is anchored by health care and manufacturing. The healthcare sector in the Milwaukee area spans educational and research facilities, integrated healthcare systems, and several specialty hospitals. Milwaukee also remains a major manufacturing center and is home to industrial companies including Harley-Davidson, Rockwell Automation, and Johnson Controls. In early 2020, BMO Harris completed construction on a new 25-story office tower in Downtown Milwaukee. In June 2022, Komatsu Mining opened its new 58-acre campus in Milwaukee's Harbor District. The facility includes a 180,000-square-foot office building and a 430,000-square-foot manufacturing facility. Several companies have recently moved to downtown Milwaukee. In 2023, Milwaukee Tool relocated to downtown, followed by Fiserv in 2024, and Enerpac Tool Group in 2025. Northwestern Mutual is in the process of renovating an older 540,000-square-foot building, and will be relocating 1,300 employees downtown from a suburban

location in 2026. Other developments in the pipeline include: Milwaukee Public Museum's new natural history museum under construction, which is expected to open in late 2025; the Milwaukee's Iron District project, a large mixed-use development that will feature affordable apartments, a soccer stadium, a hotel, and an event venue; and the Department of City Development's expansion of the city's riverwalk system. In addition, funding is in place for the installation of a retractable room on American Family Field. Furthermore, construction is ongoing for the 4,500-person concert venue adjacent to the Fiserv Forum which will be part of Live Nation, with an expected opening at the end of 2025. Also, the potential remains for the redevelopment of the Marcus Performing Arts Center parking structure site. One RFP was submitted in 2024 for a 55-story \$700M mixed-use development. Although the local economy was negatively affected by the COVID-19 pandemic in 2020 and 2021, it has since fully recovered. The city's profile and its diverse economy, supported by ongoing developments and increased tourism, lend to a positive outlook.

#### Office Space Statistics

Trends in occupied office space can be key indicators of lodging demand, as firms that occupy office space often exhibit a strong propensity to attract commercial visitors. Thus, trends that cause changes in vacancy rates or occupied office space may have a proportional impact on commercial lodging demand and a less direct effect on meeting demand. The following table details office space statistics for the pertinent market area.

**FIGURE 4-9 OFFICE SPACE STATISTICS – MARKET OVERVIEW**

Submarket	Inventory		Occupied Office Space	Vacancy Rate	Average Asking Lease Rate
	Buildings	Square Feet			
1 Brookfield/New Berlin	96	5,239,000	3,876,000	26.0 %	\$20.14
2 <b>Downtown Milwaukee</b>	<b>114</b>	<b>13,471,000</b>	<b>10,248,000</b>	<b>23.9</b>	<b>22.11</b>
3 Greenfield/South Milwaukee Cou	34	1,094,000	774,000	29.3	19.30
4 North Suburban	109	3,904,000	2,739,000	29.8	18.59
5 Wauwatosa/W Allis/W Milwaukee	83	5,258,000	4,042,000	23.1	19.90
6 West Waukesha County	74	2,404,000	1,947,000	19.0	21.89
<b>Totals and Averages</b>	<b>510</b>	<b>31,370,000</b>	<b>23,626,000</b>	<b>24.7 %</b>	<b>\$20.86</b>

Source: REIS Report, 4th Quarter, 2024

The greater Milwaukee market comprises a total of 31.4 million square feet of office space. For the 4th Quarter of 2024, the market reported a vacancy rate of 24.7% and an average asking rent of \$20.86. The subject property is located in the Downtown Milwaukee submarket, which houses 13,471,000 square feet of office space. The



submarket's vacancy rate of 23.9% is slightly lower than the overall market average. The average asking lease rate of \$22.11 is above the average for the broader market.

The following table illustrates a trend of office space statistics for the overall Milwaukee market and the Downtown Milwaukee submarket.

**FIGURE 4-10 HISTORICAL AND PROJECTED OFFICE SPACE STATISTICS – GREATER MARKET VS. SUBMARKET**

Milwaukee Market								Downtown Milwaukee Submarket						
Year	Available Office Space	% Chg	Occupied Office Space	% Chg	Vacancy Rate	Asking Lease Rate	% Chg	Available Office Space	% Chg	Occupied Office Space	% Chg	Vacancy Rate	Asking Lease Rate	% Chg
2012	29,957,000	—	24,142,000	—	19.4 %	\$18.99	—	12,984,000	—	10,452,000	—	19.5 %	\$19.55	—
2013	30,039,000	0.3 %	24,223,000	0.3 %	19.4	19.13	0.7 %	12,984,000	0.0 %	10,530,000	0.7 %	18.9	19.70	0.8 %
2014	30,323,000	0.9	24,527,000	1.3	19.1	19.04	(0.5)	13,026,000	0.3	10,707,000	1.7	17.8	19.40	(1.5)
2015	30,274,000	(0.2)	24,589,000	0.3	18.8	19.31	1.4	12,979,000	(0.4)	10,915,000	1.9	15.9	19.81	2.1
2016	30,571,000	1.0	24,851,000	1.1	18.7	19.63	1.7	13,020,000	0.3	11,132,000	2.0	14.5	20.05	1.2
2017	30,654,000	0.3	24,801,000	(0.2)	19.1	19.87	1.2	13,131,000	0.9	11,148,000	0.1	15.1	20.47	2.1
2018	30,788,000	0.4	24,771,000	(0.1)	19.5	20.15	1.4	13,265,000	1.0	11,209,000	0.5	15.5	20.84	1.8
2019	30,759,000	(0.1)	24,562,000	(0.8)	20.1	19.98	(0.8)	13,290,000	0.2	11,084,000	(1.1)	16.6	20.37	(2.3)
2020	31,293,000	1.7	24,596,000	0.1	21.4	20.22	1.2	13,824,000	4.0	11,190,000	1.0	19.1	21.05	3.3
2021	31,393,000	0.3	24,468,000	(0.5)	22.1	20.51	1.4	13,924,000	0.7	11,254,000	0.6	19.2	21.73	3.2
2022	31,626,000	0.7	24,178,000	(1.2)	23.6	20.76	1.2	13,924,000	0.0	10,783,000	(4.2)	22.6	21.81	0.4
2023	31,243,000	(1.2)	23,633,000	(2.3)	24.4	20.81	0.2	13,471,000	(3.3)	10,273,000	(4.7)	23.7	21.96	0.7
2024	31,370,000	0.4	23,626,000	(0.0)	24.7	20.86	0.2	13,471,000	0.0	10,248,000	(0.2)	23.9	22.11	0.7
<b>Forecasts</b>														
2025	31,354,000	(0.1) %	23,627,000	0.0 %	24.6 %	21.04	0.9 %	13,471,000	0.0 %	10,138,000	(1.1) %	24.7 %	22.21	0.5 %
2026	31,354,000	0.0	23,734,000	0.5	24.3	21.26	1.0	13,471,000	0.0	10,118,000	(0.2)	24.9	22.27	0.3
2027	31,414,000	0.2	24,067,000	1.4	23.4	21.53	1.3	13,481,000	0.1	10,192,000	0.7	24.4	22.33	0.3
2028	31,477,000	0.2	24,377,000	1.3	22.6	21.82	1.3	13,491,000	0.1	10,222,000	0.3	24.2	22.35	0.1
2029	31,560,000	0.3	24,694,000	1.3	21.8	22.13	1.4	13,501,000	0.1	10,261,000	0.4	24.0	22.37	0.1
<b>Average Annual Compound Change</b>														
2012 - 2024		0.4 %		(0.2) %			0.8 %		0.3 %		(0.2) %			1.0 %
Forecast 2025 - 2029		0.2 %		1.1 %			1.3 %		0.1 %		0.3 %			0.2 %
Source: REIS Report, 4th Quarter, 2024														

The level of occupied office space is forecast to increase in this Milwaukee market, to roughly 23,600,000 square feet in 2025. Occupied office space is projected to increase to 24,700,000 in 2029. According to REIS, the greater Milwaukee market offers over 31,000,000 square feet of office space, with the largest amount of space located in the Downtown Milwaukee submarket, which has a below market average vacancy rate and the highest lease rate. Increases in supply in the Downtown Milwaukee submarket have been fueled by multi-tenant office building developments, including the Northwestern Mutual Tower in 2019. Furthermore, positive trends in net absorption indicate that the market's recovery pace is increasing.

### Convention Activity

A convention center serves as a gauge of visitation trends to a particular market. Convention centers also generate significant levels of demand for area hotels and serve as a focal point for community activity. Typically, hotels within the closest proximity to a convention center—up to three miles away—will benefit the most. Hotels serving as headquarters for an event benefit the most by way of premium rates and hosting related banquet events. During the largest conventions, peripheral hotels may benefit from compression within the city as a whole.

The Baird Center accommodates conventions and large meetings in the Milwaukee area. The recently expanded center boasts a 37,500-square-foot ballroom, a 30,000-square foot ballroom, 52 breakout meeting rooms, a rooftop terrace, and an exhibit hall measuring 300,000 square feet. The expansion and renovation of the Baird Center, which cost approximately \$456 million, broke ground in late 2021 and held its grand re-opening to the public on May 18, 2024. The Baird Center hosted the 2024 Republican National Convention.

## CONVENTION CENTER



Source: Visit Milwaukee

The following table illustrates recent usage statistics for this facility.

**FIGURE 4-11 CONVENTION CENTER STATISTICS**

Year	Convention Delegates	Percent Change
2017	297,369	—
2018	334,819	12.6 %
2019	367,680	9.8
2020	60,868	(83.4)
2021	125,110	105.5
2022	254,858	103.7
2023	345,470	35.6
2024	416,600	20.6

Source: Wisconsin Center District

Reports from the market reflect that the Baird Center is highly utilized by groups such as local professional associations and trade shows. Attendance increased significantly in 2018 and 2019 with several large citywide events. Prior to COVID-19, local officials expected 2020 to be Milwaukee's busiest year, with several large



events planned, including the Democratic National Convention. However, the COVID-19 pandemic led to the cancellation of most major conventions at the Wisconsin Center District for 2020. Major conventions and citywide events in Milwaukee were canceled through early 2021 because of guidelines on social distancing and limits on group sizes. However, all restrictions had been lifted as of June 2021. According to local officials, demand increased in the late summer and early fall of 2021, largely attributed to Summerfest. Data for 2023 and 2024 illustrate a continued increase in citywide events, noting over 400,000 delegates in 2024 due to the Republican National Convention which took place from July 15-18, 2024. Representatives from the Wisconsin Center District report that over 450,000 delegates are confirmed for 2025, with an additional 50,000 as tentative holds. Furthermore, for 2026 the center has 67 events confirmed and a total of 110 holds placed on dates for additional events. In 2027, 21 events are booked with an additional 90 holds.

### Airport Traffic

Airport passenger counts are important indicators of lodging demand. Depending on the type of service provided by a particular airfield, a sizable percentage of arriving passengers may require hotel accommodations. Trends showing changes in passenger counts also reflect local business activity and the overall economic health of the area.

Milwaukee Mitchell International Airport (MKE) is a medium-hub airport owned and operated by Milwaukee County. MKE has sometimes been described as Chicago's third airport, as some Chicago travelers seek to avoid O'Hare International Airport or Midway Airport. It is also used by travelers throughout Wisconsin and Northern Illinois as an alternative to other local airports. The airport is serviced by many major commercial airlines, and several airlines, including Southwest and Spirit, have recently announced additional routes from MKE beginning in 2025. Construction began in February of 2025 on a 337,000-square-foot cargo facility and is expected to be completed in 2026. Construction of a new \$92M terminal at Milwaukee Mitchell International Airport may begin by mid-2025, and will include demolishing Concourse E and replacing it with a larger international terminal.

The following table illustrates recent operating statistics for the Milwaukee Mitchell International Airport, which is the primary airport facility serving the subject property's submarket.

**FIGURE 4-12 AIRPORT STATISTICS - MILWAUKEE MITCHELL INTERNATIONAL AIRPORT**

Year	Passenger Traffic	Percent Change*	Percent Change**
2015	6,549,353	—	—
2016	6,757,357	3.2 %	3.2 %
2017	6,904,670	2.2	2.7
2018	7,096,714	2.8	2.7
2019	6,894,894	(2.8)	1.3
2020	2,627,215	(61.9)	(16.7)
2021	4,524,345	72.2	(6.0)
2022	5,439,055	20.2	(2.6)
2023	6,015,731	10.6	(1.1)
2024	6,316,245	5.0	(0.4)
<b>Year-to-date, Mar</b>			
2024	1,519,883	—	—
2025	1,363,580	(10.3) %	—

\*Annual average compounded percentage change from the previous year

\*\*Annual average compounded percentage change from first year of data

Source: Milwaukee Mitchell International Airport

This facility recorded 6,316,245 passengers in 2024. The change in passenger traffic between 2023 and 2024 was 5.0%. The average annual change during the period shown was (0.4)%. The 2019 decrease in passenger traffic can be attributed in large part to severe weather in the Midwest in the first quarter of the year. Data from 2020 illustrate a significant decline given the impact of the COVID-19 pandemic and the travel restrictions that were implemented; however, the 2021 data show a substantial rebound in passenger traffic, a trend that continued through 2024.

### Tourist Attractions

The subject market benefits from a variety of tourism and leisure attractions in the area. Leisure demand generators include the Wisconsin State Fair Park, American Family Field, the Milwaukee Art Museum, the Harley-Davidson Museum, American Family Insurance Amphitheater, Fiserv Forum, and the Milwaukee County Zoo. Special events also play a role during key weekends, such as Summerfest, Harley Homecoming, USA Triathlon, and Wisconsin State Fair. Due to the COVID-19 pandemic, entertainment venues were temporarily closed (and events were postponed or canceled) in 2020 and early 2021. It is important to note that in 2021, Summerfest changed from being an 11-day event to a series of three weekends.

## HARLEY DAVIDSON MUSEUM



### Conclusion

This section discussed a wide variety of economic indicators for the pertinent market area. The Milwaukee market area benefits from a strengthening economy that is primarily led by the manufacturing industry and the healthcare sector, as well as the increasing convention demand. Additionally, tourism rebounded in the last couple of years, with key events including the USA Triathlon, Ryder Cup, Summerfest, Harley Homecoming, Wisconsin State Fair, and various cultural festivals being primary draws. Thus, the near-term market outlook is overall positive.

## 5. Supply and Demand Analysis

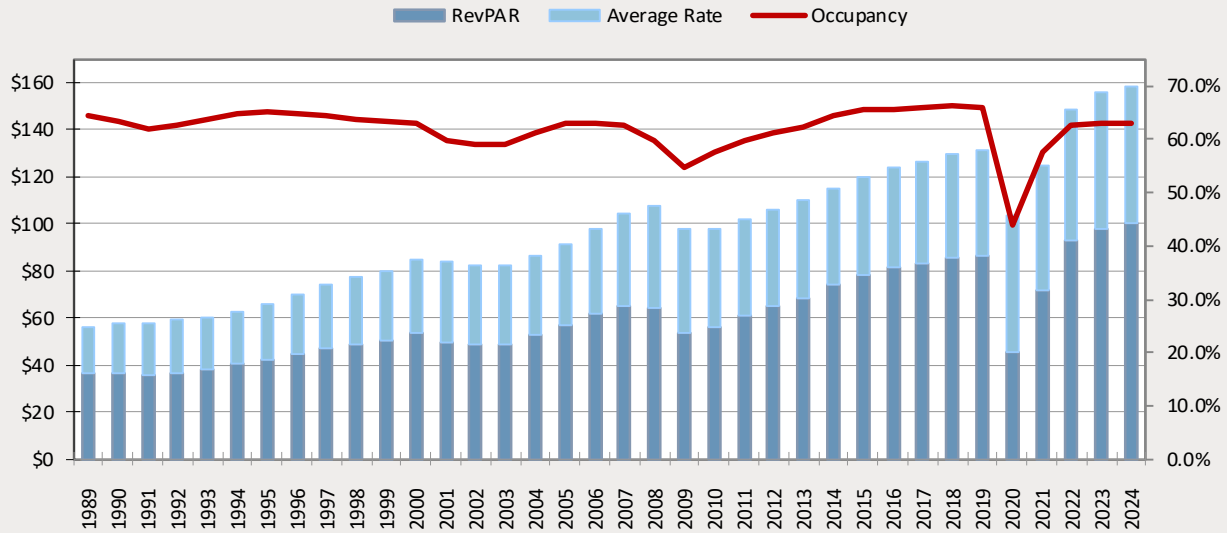
In the lodging industry, supply is measured by the number of guestrooms available, and demand is measured by the number of rooms occupied; the net effect of supply and demand toward equilibrium results in a prevailing price, or average daily rate (ADR). The purpose of this section is to investigate current supply and demand trends as indicated by the current competitive market, resulting in a forecast of market-wide occupancy.

### National Trends Overview

The subject property and local lodging market are most directly affected by the supply and demand trends within the immediate area. However, individual markets are also influenced by conditions in the national lodging market. We have reviewed national lodging trends to provide a context for the forecast of the supply and demand for the subject property's competitive set.

STR is an independent research firm that compiles data on the lodging industry, and this information is routinely used by typical hotel buyers. The following STR diagram presents annual hotel occupancy, ADR, and rooms revenue per available room (RevPAR) data since 1989. RevPAR is calculated by multiplying occupancy by ADR and provides an indication of how well rooms revenue is being maximized.



**FIGURE 5-1 NATIONAL OCCUPANCY, ADR, AND REVPAR TRENDS**

Source: STR

The preceding chart illustrates the impact of the recessions of the early 1990s, 2000s, the financial crisis of 2008/09, and the 2020/21 pandemic on the U.S. lodging industry. In each case, the downturn caused lodging demand to drop, resulting in an occupancy decline. The aggregate ADR also fell, as hoteliers used price as a marketing tool to attract demand and support occupancy levels. As occupancy recovered, ADR growth resumed, although the ADR recovery lagged somewhat behind occupancy levels, as price discounts contributed to the initial recovery of demand. Following the financial crisis of the Great Recession, occupancy fell by over eight points, and ADR declined by 5.9%, resulting in an 18.3% decrease in RevPAR. The market recovered steadily thereafter, with occupancy surpassing the 65.0% mark in 2015, and ADR also consistently growing, albeit at a decelerating pace.

The onset of the COVID-19 pandemic in March 2020 had a severe impact on the lodging industry, causing occupancy, ADR, and RevPAR to decline by unprecedented levels. By the conclusion of 2020, occupancy had fallen 22 points, with ADR decreasing by roughly \$28.00, resulting in a RevPAR loss of 48.0% (rounded). Led by strong leisure demand, many markets began to recover mid-year 2021. The recovery continued in 2022 and 2023, as group activity returned; business travel

also improved during this time frame, although hybrid work options and lower office occupancy rates constrained demand recovery in this segment. By year-end 2023, the U.S. occupancy level had reached 96.0% of the occupancy level attained in 2019. Occupancy remained unchanged in 2024, as a strengthening in the group and commercial segments was balanced by a pullback in leisure demand, influenced by more travelers seeking international destinations for vacations. The ADR in 2024 was 21.0% (rounded) higher than the national rate in 2019, resulting in a RevPAR increase of 15.0% (rounded) over the level achieved in 2019.

**FIGURE 5-2 NATIONAL OCCUPANCY AND ADR TRENDS**

	Occupancy					Average Rate					RevPAR				
	2019	2021	2022	2023	2024	2019	2021	2022	2023	2024	2019	2021	2022	2023	2024
United States	66.0 %	57.5 %	62.6 %	63.0 %	63.0 %	\$131.23	\$124.96	\$149.24	\$156.00	\$158.67	\$86.64	\$71.88	\$93.39	\$98.22	\$99.94
Region															
New England	64.7 %	55.5 %	63.4 %	63.3 %	64.1 %	\$161.08	\$155.80	\$179.29	\$190.86	\$195.48	\$104.25	\$86.54	\$113.78	\$120.86	\$125.36
Middle Atlantic	69.0	55.2	62.6	65.0	66.3	166.27	144.08	179.82	192.15	200.48	114.81	79.56	112.48	124.96	132.92
South Atlantic	67.5	59.8	64.7	64.5	64.9	128.41	130.45	152.61	156.33	157.87	86.68	77.95	98.70	100.89	102.51
E. North Central	61.1	52.3	57.2	57.5	57.9	112.64	105.25	123.33	129.12	133.91	68.82	55.09	70.52	74.26	77.48
E. South Central	62.4	59.5	61.0	61.0	59.1	103.58	104.70	119.73	126.05	127.25	64.61	62.30	73.04	76.88	75.17
W. North Central	58.3	51.0	55.3	56.1	55.7	99.28	97.34	109.00	115.04	118.30	57.88	49.68	60.27	64.51	65.89
W. South Central	62.6	58.1	59.9	60.2	60.2	101.84	95.75	112.13	116.19	119.69	63.77	55.64	67.20	69.92	72.09
Mountain	66.9	59.3	66.3	67.2	66.1	121.89	125.74	153.87	166.61	169.15	81.54	74.59	101.94	111.97	111.85
Pacific	73.6	60.2	66.9	66.6	66.7	171.40	157.79	190.58	196.22	194.67	126.16	95.00	127.42	130.67	129.89
Class															
Luxury	70.9 %	52.5 %	65.3 %	66.0 %	66.7 %	\$304.11	\$322.00	\$376.48	\$384.66	\$387.74	\$215.73	\$168.95	\$245.93	\$153.96	\$258.56
Upper-Upscale	72.6	50.0	63.4	67.1	67.6	188.24	175.05	213.96	221.11	223.88	136.67	87.49	135.70	148.29	151.46
Upscale	71.5	59.3	66.8	68.7	69.1	143.60	132.34	156.30	163.81	166.20	102.68	78.42	104.39	112.53	114.80
Upper-Midscale	67.5	61.2	65.7	65.8	65.7	115.91	114.14	128.53	133.40	135.01	78.20	69.83	84.50	87.73	88.68
Midscale	59.5	56.8	59.7	58.7	58.4	95.82	98.83	100.19	101.41	101.85	57.03	56.10	59.83	59.57	59.46
Economy	59.4	58.7	56.4	54.3	53.5	75.50	76.14	77.65	79.32	78.90	44.83	44.72	43.80	43.04	42.24
Location															
Urban	73.2 %	51.8 %	63.3 %	66.4 %	67.5 %	\$183.20	\$152.81	\$196.47	\$207.36	\$213.04	\$134.12	\$79.12	\$124.44	\$137.66	\$143.84
Suburban	66.7	59.9	63.8	63.4	63.6	111.26	104.93	126.13	126.32	127.97	74.24	62.90	80.45	80.06	81.34
Airport	73.7	60.3	67.9	69.5	69.4	119.22	104.82	126.57	134.50	135.87	87.85	63.18	85.91	93.43	94.36
Interstate	57.9	57.8	58.5	57.7	57.1	87.86	92.22	100.90	106.58	108.69	50.85	53.31	59.04	61.54	62.01
Resort	70.0	57.7	66.8	68.6	67.8	182.74	209.77	236.76	238.86	239.05	127.85	121.06	158.20	163.82	162.10
Small Town	57.8	56.7	57.5	55.8	55.4	107.26	116.96	124.72	133.63	136.86	61.98	66.34	71.72	74.63	75.86
Chain Scale															
Luxury	73.8 %	48.0 %	63.1 %	65.8 %	67.7 %	\$343.02	\$383.48	\$435.46	\$427.97	\$426.43	\$253.17	\$184.12	\$274.64	\$281.53	\$288.49
Upper-Upscale	73.9	48.7	63.9	67.7	68.5	189.25	176.66	215.96	223.19	226.90	139.80	86.11	138.05	151.12	155.53
Upscale	72.6	59.6	67.4	69.2	69.5	142.38	128.62	155.28	161.85	164.20	103.32	76.68	104.58	112.00	114.20
Upper-Midscale	67.5	61.6	65.8	66.1	66.0	112.80	111.14	127.56	132.16	133.95	76.14	68.47	83.93	87.34	88.44
Midscale	58.1	56.5	60.1	59.0	58.7	86.61	89.48	95.19	95.94	96.69	50.30	50.59	57.18	56.65	56.77
Economy	58.7	59.7	57.2	55.0	54.4	63.70	66.88	72.24	72.69	72.12	37.36	39.90	41.34	40.00	39.26
Independents	63.5	56.9	60.0	59.2	58.6	133.08	137.44	155.20	162.24	163.39	84.44	78.24	93.05	96.00	95.81

Source: Year-End STR Lodging Reviews

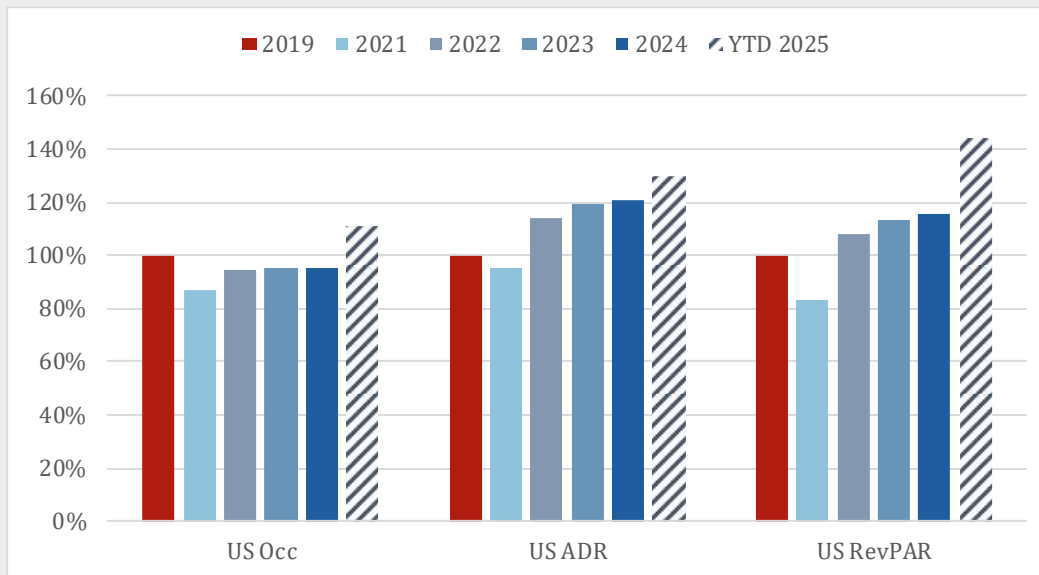
**FIGURE 5-3 RECENT NATIONAL OCCUPANCY AND ADR TRENDS**

	Occupancy - YTD March			Average Rate - YTD March			RevPAR - YTD March			Percent Change	
	2024	2025	% Change	2024	2025	% Change	2024	2025	% Change	Rms. Avail.	Rms. Sold
United States	58.2 %	58.4 %	0.4 %	\$154.83	\$157.71	1.9 %	\$90.05	\$92.08	2.2 %	0.6 %	1.0 %
Region											
New England	53.2 %	52.6 %	(1.1) %	\$151.30	\$151.38	0.1 %	\$80.55	\$79.67	(1.1) %	0.2 %	(1.0) %
Middle Atlantic	56.5	56.8	0.6	160.40	166.70	3.9	90.58	94.74	4.6	0.4	1.1
South Atlantic	63.6	64.6	1.6	168.26	174.06	3.4	107.04	112.48	5.1	0.9	2.5
E. North Central	47.9	48.8	1.9	114.01	117.33	2.9	54.61	57.25	4.8	0.8	2.7
E. South Central	54.7	53.9	(1.6)	117.77	119.29	1.3	64.48	64.27	(0.3)	1.9	0.3
W. North Central	46.4	46.8	0.9	108.57	110.26	1.6	50.34	51.58	2.5	0.1	1.0
W. South Central	58.7	58.3	(0.7)	119.31	125.09	4.8	70.08	72.97	4.1	0.8	0.1
Mountain	63.6	62.0	(2.5)	187.53	180.73	(3.6)	119.25	112.09	(6.0)	0.3	(2.2)
Pacific	61.7	62.7	1.5	190.02	192.80	1.5	117.29	120.82	3.0	0.2	1.7
Class											
Luxury	63.5 %	64.2 %	1.2 %	\$392.92	\$404.34	2.9 %	\$249.43	\$259.79	4.2 %	2.5 %	3.7 %
Upper-Upscale	63.8	64.2	0.7	221.85	226.43	2.1	141.43	145.33	2.8	0.3	1.0
Upscale	64.5	64.5	0.1	159.06	159.38	0.2	102.52	102.84	0.3	1.3	1.5
Upper-Midscale	60.2	60.1	(0.1)	127.93	129.19	1.0	77.01	77.68	0.9	1.6	1.5
Midscale	52.8	52.5	(0.6)	94.78	95.29	0.5	50.01	49.98	(0.1)	0.4	(0.2)
Economy	48.6	49.0	0.8	73.18	74.00	1.1	35.54	36.23	1.9	(1.1)	(0.3)
Location											
Urban	61.8 %	62.3 %	0.8 %	\$191.00	\$199.80	4.6 %	\$118.03	\$124.45	5.4 %	1.1 %	1.9 %
Suburban	58.7	59.0	0.5	121.97	124.43	2.0	71.61	73.42	2.5	0.9	1.4
Airport	66.1	66.3	0.3	134.53	136.41	1.4	88.94	90.47	1.7	0.3	0.6
Interstate	50.5	51.1	1.1	101.18	103.39	2.2	51.13	52.82	3.3	0.8	1.9
Resort	69.0	68.0	(1.5)	267.90	268.23	0.1	184.96	182.36	(1.4)	(0.3)	(1.8)
Small Town	47.7	48.2	1.0	120.58	123.50	2.4	57.50	59.49	3.5	0.3	1.4
Chain Scale											
Luxury	65.2 %	66.3 %	1.6 %	\$436.26	\$461.63	5.8 %	\$284.71	\$305.98	12.9 %	5.0 %	6.7 %
Upper-Upscale	64.8	65.6	1.3	225.32	230.72	2.4	145.94	151.34	5.1	1.4	2.6
Upscale	64.9	65.0	0.1	157.24	159.06	1.2	102.01	103.34	2.7	1.3	1.5
Upper-Midscale	60.6	60.6	0.0	126.95	128.64	1.3	76.92	77.95	3.0	1.6	1.6
Midscale	53.1	53.0	(0.1)	90.01	91.88	2.1	47.76	48.72	4.9	2.8	2.7
Economy	49.9	50.4	0.9	67.51	68.71	1.8	33.68	34.60	1.1	(1.6)	(0.7)
Independents	53.6	53.5	(0.3)	160.51	159.43	(1.0)	86.11	85.29	(2.0)	(1.1)	(1.4)

Source: STR - March 2025 Lodging Review

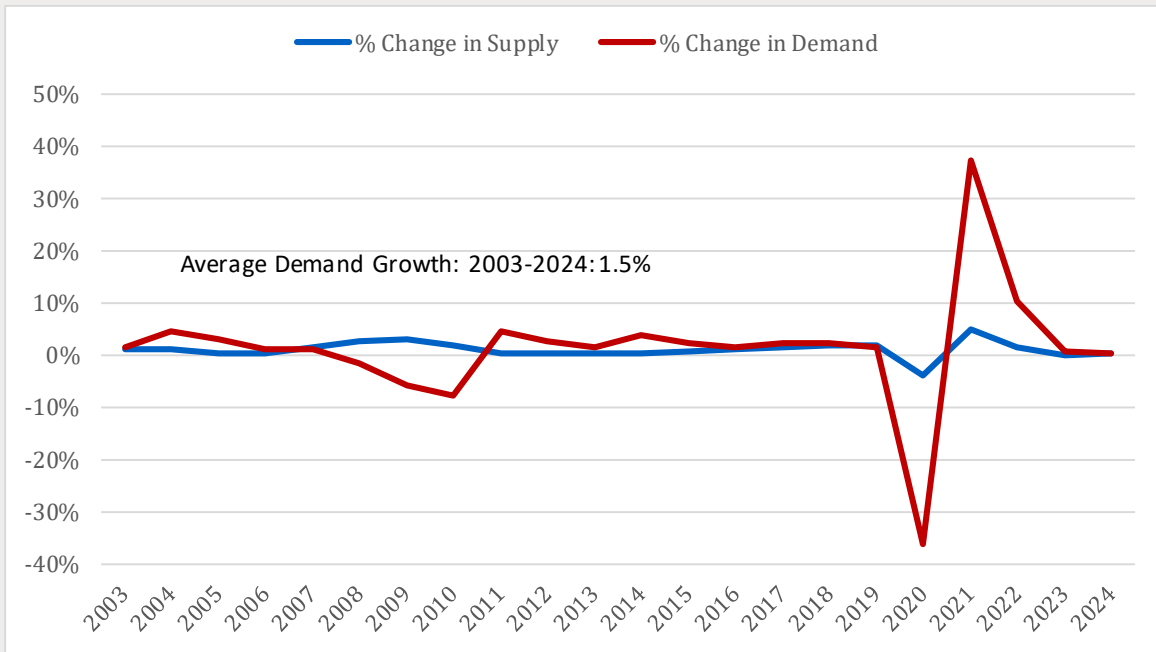
The following graph illustrates the performance of the U.S. lodging industry from 2019, expressed as a percentage of 2019 levels of occupancy, ADR and RevPAR, demonstrating the pace and pattern of the recovery.

**FIGURE 5-4 NATIONAL PERFORMANCE COMPARED TO 2019 LEVELS**



A lodging market's performance is influenced by changes in supply and demand levels. The following graph illustrates the percentage change in these two metrics for the U.S. lodging industry as a whole since 2003, as reported by STR.



**FIGURE 5-5 HISTORICAL CHANGES IN SUPPLY AND DEMAND – U.S. LODGING INDUSTRY**

Source: STR

Excluding fluctuations due to the Great Recession in 2008/09 and the pandemic from 2020 to 2022, supply growth ranged between 0.4% to 2.0%, averaging 1.1% in these years. The pace of supply growth slowed significantly in the two to three years following the downturns in 2001/02, 2008/09, and 2020/21, reflecting the decline in new project-starts during these periods. As the market moved out of these cycles, supply growth accelerated. The impact of the pandemic caused a decline in supply, as hotels temporarily suspended operations or closed, in many cases for conversion to alternate use. The reopening of the temporarily closed properties caused an artificial spike in supply growth. Supply growth in 2023 through early 2025 reflects the high cost of construction, as well as the limited availability of financing for new construction. Thus, the pace of supply growth is expected to remain muted through 2026.

The changes in demand, as measured by the number of occupied rooms, display similar patterns. The years following the noted recessionary periods reflect relatively strong growth, as the market recovered from these downturns. Excluding the years of downturn and recovery, demand growth ranged from 1.0% to 4.6%.

### Definition of Subject Hotel Market

The subject property is located in the greater Milwaukee lodging market, which encompasses nearly 190 lodging facilities totaling roughly 19,500 guestrooms. Within this greater market, the subject hotel is located in the Downtown Milwaukee submarket and directly competes with three upper-upscale and luxury hotels that offer full-service amenities. Nine additional hotels have been considered secondarily competitive due to differences in price point and facilities.

### Historical Supply and Demand Data

STR is an independent research firm that compiles and publishes data on the lodging industry, routinely used by typical hotel buyers. HVS has ordered and analyzed an STR Trend Report of historical supply and demand data for the subject property and its competitors. This information is presented in the following table, along with the market-wide occupancy, ADR, and RevPAR.

In response to the travel restrictions and the decline in demand associated with the COVID-19 pandemic, numerous hotels in markets across the nation temporarily suspended operations. During these suspensions, hotels were typically closed to the public, with the majority of staff furloughed; however, key management and maintenance staff were retained to preserve the property and prepare for reopening. Eight of the hotels in the competitive submarket suspended operations because of the COVID-19 pandemic; however, all have since reopened. We note that the STR data and our analysis reflect the competitive submarket's adjusted occupancy upon the suspension of operations and/or the reopening of select competitive hotels within this set.

The second chart presents the monthly data for 2019 through the year-to-date 2025 period, illustrating the fluctuations in occupancy and ADR. The impact of the pandemic and the timing and pace of the subsequent recovery are reflected in the data.

**FIGURE 5-6 HISTORICAL SUPPLY AND DEMAND TRENDS**

Year	Average Daily Room Count	Available Room Nights	Change	Occupied Room Nights	Change	Occupancy	Average Rate	Change	RevPAR	Change
2017	2,202	803,725	—	568,292	—	70.7 %	\$158.39	—	\$111.99	—
2018	2,293	836,945	4.1 %	596,454	5.0 %	71.3	158.71	0.2 %	113.11	1.0 %
2019	2,277	831,034	(0.7)	580,163	(2.7)	69.8	169.79	7.0	118.53	4.8
2020	2,098	765,608	(7.9)	226,452	(61.0)	29.6	121.83	(28.2)	36.04	(69.6)
2021	2,401	876,340	14.5	390,226	72.3	44.5	170.74	40.1	76.03	111.0
2022	2,520	919,800	5.0	515,914	32.2	56.1	185.33	8.5	103.95	36.7
2023	2,659	970,515	5.5	579,860	12.4	59.7	194.28	4.8	116.08	11.7
2024	2,727	995,355	2.6	657,335	13.4	66.0	195.23	0.5	128.93	11.1
2024/25	2,727	995,355	0.0	677,031	3.0	68.0	197.76	1.3	134.52	4.3
<b>Year-to-Date Through March</b>										
2024	2,727	245,430	—	127,503	—	52.0 %	\$152.65	—	\$79.30	—
2025	2,727	245,430	0.0 %	147,199	15.4 %	60.0	170.01	11.4 %	101.96	28.6 %

Average Annual Compounded Change:

2017 – 2019	1.7 %	1.0 %	3.5 %	2.9 %
2017 – 2024	3.1	2.1	3.0	2.0

Hotels Included in Sample	Class	Competitive Status	Room Inventory	Year Opened
The Pfister Hotel	Luxury Class	Primary	307	Jan 1900
DoubleTree by Hilton Hotel Milwaukee Downtown	Upscale Class	Secondary	243	Jun 1965
Hyatt Regency Milwaukee	Upper Upscale Class	Secondary	481	May 1980
Saint Kate The Arts Hotel	Upper Upscale Class	Primary	219	Jun 1988
Hotel Metro, Autograph Collection	Upper Upscale Class	Secondary	63	Aug 1998
Courtyard Milwaukee Downtown	Upscale Class	Secondary	170	Jul 1999
The Iron Horse Hotel	Luxury Class	Secondary	100	Sep 2008
Hilton Garden Inn Milwaukee Downtown	Upscale Class	Secondary	127	Nov 2012
<b>Milwaukee Marriott Downtown</b>	<b>Upper Upscale Class</b>	<b>Subject Property</b>	<b>205</b>	<b>Jun 2013</b>
Kimpton Journeyman Hotel	Upper Upscale Class	Secondary	158	Jun 2016
The Westin Milwaukee	Upper Upscale Class	Primary	220	Jun 2017
Drury Plaza Hotel Milwaukee Downtown	Upscale Class	Secondary	227	Oct 2019
The Trade, Autograph Collection	Upper Upscale Class	Secondary	207	May 2023
<b>Total</b>			<b>2,727</b>	

Source: STR

**FIGURE 5-7 HISTORICAL SUPPLY AND DEMAND TRENDS (MONTHLY)**

Month	2019		2020		2021		2022		2023		2024		2025	
	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR
January	54.0 %	\$144.42	50.6 %	\$138.12	21.4 %	\$98.33	32.8 %	\$145.17	41.8 %	\$159.39	45.6 %	\$153.42	52.7 %	\$159.72
February	66.3	148.57	59.8	137.26	26.0	108.55	45.6	146.68	47.7	161.92	52.1	153.66	58.7	163.17
March	67.4	150.60	26.8	136.86	33.8	111.42	47.0	160.37	54.2	161.16	58.1	151.22	68.4	183.24
April	73.1	161.55	7.3	82.18	37.3	122.89	57.9	174.83	61.2	179.95	71.3	186.51	—	—
May	81.1	177.56	12.5	80.97	43.0	147.18	58.3	188.04	59.0	188.27	70.3	184.51	—	—
June	81.1	194.80	16.1	107.92	51.1	168.03	66.4	206.31	71.9	219.90	78.3	216.90	—	—
July	82.3	202.60	30.2	111.06	60.2	213.85	70.3	224.99	70.4	251.35	74.9	334.70	—	—
August	81.3	185.40	32.8	134.91	56.3	188.83	69.5	205.37	72.6	221.24	79.0	202.68	—	—
September	76.6	181.12	30.7	114.62	62.0	249.73	67.3	204.16	70.2	206.75	77.7	201.25	—	—
October	71.3	171.64	30.0	105.96	51.9	186.40	61.8	191.01	67.8	194.98	72.7	185.48	—	—
November	59.0	143.70	18.7	94.37	46.2	151.74	50.7	158.97	49.3	164.75	63.2	156.73	—	—
December	48.1	138.96	21.4	94.95	41.0	149.75	44.9	156.38	47.7	156.29	48.8	148.34	—	—
Annual Averages	69.8 %	\$169.79	29.6 %	\$121.83	44.5 %	\$170.74	56.1 %	\$185.33	59.7 %	\$194.28	66.0 %	\$195.23	—	—
Year-to-Date	62.1 %	\$147.98	45.2 %	\$137.51	27.1 %	\$107.01	41.7 %	\$151.59	47.9 %	\$160.86	52.0 %	\$152.65	60.0 %	\$170.01
Change from Prior Year	2019		2020		2021		2022		2023		2024		2025	
	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR	Occupancy	ADR
January	(3.8) pts	8.7 %	(3.5) pts	(4.4) %	(29.2) pts	(28.8) %	11.4 pts	47.6 %	9.0 pts	9.8 %	3.8 pts	(3.7) %	7.1 pts	4.1 %
February	2.4	10.8	(6.5)	(7.6)	(33.8)	(20.9)	19.6	35.1	2.1	10.4	4.4	(5.1)	6.6	6.2
March	2.9	14.0	(40.5)	(9.1)	7.0	(18.6)	13.1	43.9	7.3	0.5	3.9	(6.2)	10.2	21.2
April	0.9	8.4	(65.7)	(49.1)	29.9	49.5	20.7	42.3	3.3	2.9	10.1	3.6	—	—
May	5.9	10.3	(68.6)	(54.4)	30.5	81.8	15.3	27.8	0.6	0.1	11.4	(2.0)	—	—
June	(3.0)	9.2	(65.0)	(44.6)	35.0	55.7	15.3	22.8	5.6	6.6	6.4	(1.4)	—	—
July	0.2	9.0	(52.1)	(45.2)	30.0	92.6	10.1	5.2	0.1	11.7	4.4	33.2	—	—
August	1.6	7.0	(48.6)	(27.2)	23.5	40.0	13.3	8.8	3.1	7.7	6.3	(8.4)	—	—
September	(4.4)	5.6	(45.9)	(36.7)	31.4	117.9	5.3	(18.2)	2.8	1.3	7.6	(2.7)	—	—
October	(8.8)	(1.1)	(41.4)	(38.3)	21.9	75.9	9.9	2.5	5.9	2.1	4.9	(4.9)	—	—
November	(2.2)	(0.1)	(40.3)	(34.3)	27.5	60.8	4.4	4.8	(1.4)	3.6	13.9	(4.9)	—	—
December	(5.0)	1.5	(26.8)	(31.7)	19.6	57.7	3.9	4.4	2.7	(0.1)	1.1	(5.1)	—	—
Annual Change	(1.5) pts	7.0 %	(40.2) pts	(28.2) %	15.0 pts	40.1 %	11.6 pts	8.5 %	3.7 pts	4.8 %	6.3 pts	0.5 %	—	—
Year-to-Date	0.2 %	11.3 %	(16.9) %	(7.1) %	(18.1) %	(22.2) %	14.6 %	41.7 %	6.3 %	6.1 %	4.0 %	(5.1) %	8.0 pts	11.4 %

Source: STR

It is important to note some limitations of the STR data. Hotels are occasionally added to or removed from the sample; furthermore, not every property reports data in a consistent and timely manner. These factors can influence the overall quality of the information by skewing the results, and these inconsistencies may also cause the STR data to differ from the results of our competitive survey. Nonetheless, STR data provide the best indication of aggregate growth or decline in existing supply and demand; thus, these trends have been considered in our analysis. Opening dates, as available, are presented for each reporting hotel on the previous table.

The STR data for the competitive set reflect a market-wide occupancy level of 66.0% in 2024, which compares to 59.7% for 2023. The STR data for the competitive set reflect a market-wide ADR level of \$195.23 in 2024, which compares to \$194.28 for 2023. These occupancy and ADR trends resulted in a RevPAR level of \$128.93 in 2024.

During the illustrated historical period, occupancy levels remained relatively stable between 2017 and 2019, near 70%. The former InterContinental Hotel suspended operations in early 2019 and reopened later that year as the Saint Kate The Arts Hotel. Similarly, the Hotel Metro underwent a major renovation and rebranded as part of the Marriott Autograph Collection in 2020. In 2020, the COVID-19 pandemic affected the local market, similar to the rest of the nation, resulting in decreased business activity, inclusive of the hospitality, tourism, and manufacturing industries. Furthermore, we note that many hotels in the competitive set temporarily suspended operations at the onset of the pandemic. The subject hotel, in particular, suspended operations for over a year, from March 11, 2020 until August 1, 2021 according to management; however, STR data reflects that the Milwaukee Marriott Downtown suspended operations between July 2020 until August 2021. General improvement has been registered since the low point in May 2020. A rebound commenced in the third quarter of 2020, with the occupancy and ADR recovery extending through 2023. Heightened inflation in 2021 and 2022 also contributed to ADR growth for this competitive set, as did the opening of several high-quality new hotels. Despite the opening of the 207-room The Trade, Autograph Collection hotel in May 2023, year-end data illustrate occupancy growing to just below 60.0% in 2023. In 2024, occupancy increased to 66%, partially influenced by the Republican National Convention which also caused a notable spike in the July ADR. Overall, however, average rate registered little change as hoteliers held rate in an effort to further attract additional demand amid the absorption of new supply.

Year-to-date 2025 data illustrate strong gains in both occupancy and average rate, with a 42% increase in RevPAR in March due to the first and second rounds of the NCAA Division I men's basketball tournament, in addition to numerous events held at the convention center, including large volleyball and dance tournaments. Interviews with local hotel managers indicate that the year-to-date improvement



also is reflective of more group and corporate/contract business than experienced in 2024. As locally negotiated business travel continues to return to the market, the total guest mix comprises less of the higher-rated leisure component. Nevertheless, the overall outlook for the competitive market is optimistic given the return to downtown office operations, the 2024 opening of the convention center expansion, and summer leisure events. Some managers did note that the outlook remains cautious for the remainder of 2025, given the possibility for some corporate cutbacks and less leisure demand given the economic uncertainty.

The following table illustrates the monthly occupancy, ADR, and RevPAR for the competitive set measured as a percentage of 2019 levels.

**FIGURE 5-8 OCCUPANCY, ADR, AND REVPAR AS A PERCENTAGE OF 2019 LEVELS**

	2022			2023			2024			2025		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
January	60.7 %	100.5 %	61.0 %	77.4 %	110.4 %	85.4 %	84.4 %	106.2 %	89.7 %	97.6 %	110.6 %	108.0 %
February	68.8	98.7	67.9	72.0	109.0	78.5	78.6	103.4	81.3	88.6	109.8	97.3
March	69.7	106.5	74.3	80.5	107.0	86.2	86.3	100.4	86.7	101.5	121.7	123.5
April	79.2	108.2	85.8	83.7	111.4	93.2	97.5	115.5	112.6	—	—	—
May	71.9	105.9	76.2	72.7	106.0	77.1	86.7	103.9	90.1	—	—	—
June	81.9	105.9	86.7	88.7	112.9	100.1	96.6	111.3	107.6	—	—	—
July	85.4	111.1	94.9	85.5	124.1	106.1	90.9	165.2	150.2	—	—	—
August	85.5	110.8	94.7	89.3	119.3	106.6	97.1	109.3	106.2	—	—	—
September	87.9	112.7	99.1	91.6	114.2	104.6	101.5	111.1	112.8	—	—	—
October	86.7	111.3	96.5	95.0	113.6	107.9	101.9	108.1	110.1	—	—	—
November	85.8	110.6	95.0	83.4	114.6	95.7	107.0	109.1	116.7	—	—	—
December	93.3	112.5	105.0	99.0	112.5	111.3	101.3	106.7	108.1	—	—	—
<b>Annual Averages</b>	<b>80.3 %</b>	<b>109.2 %</b>	<b>87.7 %</b>	<b>85.6 %</b>	<b>114.4 %</b>	<b>97.9 %</b>	<b>94.6 %</b>	<b>115.0 %</b>	<b>108.8 %</b>	—	—	—
<b>Year-to-Date</b>	<b>67.1</b>	<b>102.4</b>	<b>68.7</b>	<b>77.2</b>	<b>108.7</b>	<b>83.9</b>	<b>83.6</b>	<b>103.2</b>	<b>86.3</b>	<b>96.5 %</b>	<b>114.9 %</b>	<b>110.9 %</b>

Source: STR

The data illustrate that the aggregate market occupancy level has recovered significantly, although it remains below the level achieved in 2019; moreover, ADR surpassed the 2019 level in the second half of 2021.

### Seasonality

The market's seasonal trends are presented in the following table.

**FIGURE 5-9 SEASONALITY**

	2018	2019	2020	2021	2022	2023	2024
<b>High Season - June, July, August, September</b>							
Occupancy	81.7 %	80.3 %	27.7 %	57.5 %	68.4 %	71.3 %	77.5 %
Average Rate	\$177.32	\$191.20	\$119.19	\$207.70	\$210.43	\$224.96	\$238.27
RevPAR	144.84	153.62	32.99	119.36	143.96	160.36	184.59
<b>Shoulder Season - February, March, April, May, October, November</b>							
Occupancy	69.7 %	69.5 %	28.0 %	40.2 %	53.7 %	56.8 %	64.8 %
Average Rate	\$150.52	\$160.21	\$121.33	\$144.89	\$172.13	\$177.21	\$171.62
RevPAR	104.84	111.33	33.97	58.21	92.41	100.61	111.20
<b>Low Season - January, December</b>							
Occupancy	55.5 %	51.0 %	36.6 %	31.6 %	38.9 %	44.8 %	47.2 %
Average Rate	\$134.80	\$141.72	\$126.04	\$133.09	\$151.65	\$157.68	\$150.79
RevPAR	74.80	72.21	46.12	42.04	58.93	70.71	71.15

Source: STR

The illustrated occupancy and ADR patterns reflect important seasonal characteristics. We have reviewed these trends in developing our forthcoming forecast of market-wide demand and ADR. The competitive market has historically been characterized by a moderate degree of seasonality. COVID-19 prompted some abnormalities to this regular trend in 2020 and early 2021; however, the regular seasonality patterns returned to the market soon thereafter. The strongest occupancy levels are often recorded in the summer months when demand from leisure travelers typically supplements the commercial segment that is the principal source of demand in this submarket. ADR levels have historically reflected a similar pattern.

### Patterns of Demand

A review of the trends in occupancy and ADR by day of the week provides some insight into the impact that the current economic conditions have had on the competitive lodging market. The data, as provided by STR, are illustrated in the following tables.

**FIGURE 5-10 OCCUPANCY BY DAY OF WEEK (TRAILING 12 MONTHS)**

Month	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Month
Apr - 24	42.5 %	61.8 %	84.6 %	76.7 %	58.9 %	82.9 %	90.5 %	71.3 %
May - 24	50.8	66.2	81.8	81.8	63.3	68.2	79.7	70.3
Jun - 24	48.8	79.1	83.4	79.0	79.5	87.1	94.8	78.3
Jul - 24	72.0	69.1	75.9	71.6	79.4	74.3	83.6	74.9
Aug - 24	49.3	71.9	86.2	85.9	74.9	85.9	94.3	79.0
Sep - 24	55.3	71.5	82.3	85.8	74.8	87.5	94.2	77.7
Oct - 24	47.0	66.2	80.9	75.4	67.5	81.1	89.0	72.7
Nov - 24	49.3	53.1	59.1	62.3	57.6	76.5	77.4	63.2
Dec - 24	29.7	39.8	57.7	53.1	48.5	52.9	64.4	48.8
Jan - 25	29.7	41.6	59.7	53.8	43.7	66.1	73.2	52.7
Feb - 25	38.7	47.4	55.4	60.2	60.1	66.0	83.1	58.7
Mar - 25	46.3	54.5	64.7	69.5	70.2	85.7	91.0	68.4
<b>Average</b>	<b>46.5 %</b>	<b>60.1 %</b>	<b>72.8 %</b>	<b>71.2 %</b>	<b>64.7 %</b>	<b>76.0 %</b>	<b>85.0 %</b>	<b>68.0 %</b>

Source: STR

**FIGURE 5-11 ADR BY DAY OF WEEK (TRAILING 12 MONTHS)**

Month	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total Month
Apr - 24	\$154.92	\$173.06	\$183.61	\$178.71	\$166.40	\$201.38	\$222.24	\$186.51
May - 24	158.43	169.63	181.99	183.10	172.32	200.72	212.67	184.51
Jun - 24	174.92	187.05	194.44	196.03	217.39	260.73	255.63	216.90
Jul - 24	382.15	354.83	344.61	330.04	350.31	275.16	304.94	334.70
Aug - 24	165.45	183.46	198.62	201.24	186.01	216.89	234.28	202.68
Sep - 24	181.78	184.15	194.82	192.82	192.67	221.42	233.10	201.25
Oct - 24	160.05	173.75	187.64	188.63	171.08	191.40	210.13	185.48
Nov - 24	142.41	152.70	158.00	156.04	144.70	163.35	166.53	156.73
Dec - 24	127.94	141.16	160.34	149.60	139.47	147.46	158.55	148.34
Jan - 25	135.15	145.91	165.70	162.30	150.50	165.32	170.86	159.72
Feb - 25	141.81	152.00	158.22	163.14	152.15	165.22	189.16	163.17
Mar - 25	156.55	156.69	171.24	177.41	172.71	210.43	209.14	183.24
<b>Average</b>	<b>\$184.30</b>	<b>\$188.69</b>	<b>\$196.50</b>	<b>\$194.22</b>	<b>\$189.57</b>	<b>\$203.53</b>	<b>\$216.79</b>	<b>\$197.76</b>

Source: STR

**FIGURE 5-12 OCCUPANCY, ADR, AND REVPAR BY DAY OF WEEK (MULTIPLE YEARS)**

<b>Occupancy (%)</b>	<b>Sunday</b>	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>	<b>Total Year</b>
Apr 22 - Mar 23	37.7 %	46.0 %	57.7 %	58.3 %	55.2 %	68.6 %	79.8 %	57.6 %
Apr 23 - Mar 24	39.3	51.8	62.9	63.1	56.4	70.1	80.0	60.5
Apr 24 - Mar 25	46.5	60.1	72.8	71.2	64.7	76.0	85.0	68.0
<b><u>Change (Occupancy Points)</u></b>								
FY 23 - FY 24	1.6	5.9	5.2	4.9	1.2	1.5	0.2	2.9
FY 24 - FY 25	7.2	8.3	9.9	8.1	8.2	5.9	5.0	7.5
<b>ADR (\$)</b>	<b>Sunday</b>	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>	<b>Total Year</b>
Apr 22 - Mar 23	\$171.54	\$171.68	\$180.61	\$177.22	\$177.17	\$194.40	\$211.80	\$186.33
Apr 23 - Mar 24	171.06	176.28	186.69	183.39	184.31	205.57	213.99	191.48
Apr 24 - Mar 25	184.30	188.69	196.50	194.22	189.57	203.53	216.79	197.76
<b><u>Change (Dollars)</u></b>								
FY 23 - FY 24	(\$0.48)	\$4.60	\$6.07	\$6.17	\$7.14	\$11.16	\$2.19	\$5.15
FY 24 - FY 25	13.24	12.41	9.81	10.83	5.26	(2.03)	2.80	6.28
<b><u>Change (Percent)</u></b>								
FY 23 - FY 24	(0.3) %	2.7 %	3.4 %	3.5 %	4.0 %	5.7 %	1.0 %	2.8 %
FY 24 - FY 25	7.7	7.0	5.3	5.9	2.9	(1.0)	1.3	3.3
<b>RevPAR (\$)</b>	<b>Sunday</b>	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>	<b>Total Year</b>
Apr 22 - Mar 23	\$64.63	\$78.89	\$104.25	\$103.24	\$97.79	\$133.38	\$169.07	\$107.39
Apr 23 - Mar 24	67.16	91.33	117.52	115.77	103.98	144.12	171.21	115.89
Apr 24 - Mar 25	85.69	113.41	143.07	138.29	122.59	154.76	184.22	134.52
<b><u>Change (Dollars)</u></b>								
FY 23 - FY 24	\$2.53	\$12.43	\$13.27	\$12.53	\$6.20	\$10.74	\$2.15	\$8.50
FY 24 - FY 25	18.53	22.08	25.55	22.51	18.61	10.63	13.00	18.63
<b><u>Change (Percent)</u></b>								
FY 23 - FY 24	3.9 %	15.8 %	12.7 %	12.1 %	6.3 %	8.1 %	1.3 %	7.9 %
FY 24 - FY 25	27.6	24.2	21.7	19.4	17.9	7.4	7.6	16.1

Source: STR

In most markets, business travel, including individual commercial travelers and corporate groups, is the predominant source of demand on Monday through Thursday nights. continued recovery of business travel is demonstrated by the significant increases in both occupancy and ADR on midweek nights. Leisure travelers and non-business-related groups generate a majority of demand on Friday

and Saturday nights. The influence of the leisure segment, particularly demand generated by those visiting Henry Maier Festival Park (the location of Summerfest), the Milwaukee Public Market, American Family Field, and Fiserv Forum, supported strong occupancy and ADR levels on Friday and Saturday nights from June through October, as well as during the week in the summer.

## SUPPLY

Based on an evaluation of the occupancy, rate structure, market orientation, chain affiliation, location, facilities, amenities, reputation, and quality of each area hotel, as well as the comments of management representatives, we have identified properties that are considered primarily competitive with the subject property.

## Primary Competitors

The following table summarizes the important operating characteristics of the primary competitors and the aggregate secondary competitors. This information was compiled from personal interviews, inspections, online resources, and our in-house database of operating and hotel facility data. In cases where exact operating data for an individual property (or properties) were not available, we have used these resources, as well as the STR data, to estimate positioning within the market. Given the impact of the pandemic, which skewed the operating performance and statistics, the 2020 operating performance of each hotel was not considered given the suspension of operations, as applicable, and/or the significant impact of the pandemic on the lodging industry.



**FIGURE 5-13 PRIMARY COMPETITORS – OPERATING PERFORMANCE**

Property	Number of Rooms	Est. Segmentation (2024)			Weighted Annual Room Count	Estimated 2023			Weighted Annual Room Count	Estimated 2024				
		Commercial	Meeting and Group	Leisure		Occ.	Average Rate	RevPAR		Occ.	Average Rate	RevPAR	Occupancy Penetration	RevPAR Penetration
Milwaukee Marriott Downtown	205	42 %	24 %	34 %	205	63.3 %	\$190.36	\$120.47	205	69.9 %	\$200.81	\$140.32	105.2 %	106.1 %
Westin Milwaukee	220	45	30	25	220	55 - 60	220 - 230	130 - 140	220	65 - 70	230 - 240	150 - 160	95 - 100	110 - 120
Pfister Hotel	307	35	40	25	307	55 - 60	210 - 220	120 - 125	307	65 - 70	190 - 200	130 - 140	100 - 110	100 - 110
Saint Kate The Arts Hotel	219	35	35	30	219	60 - 65	240 - 250	150 - 160	219	70 - 75	240 - 250	170 - 180	100 - 110	130 - 140
<b>Sub-Totals/Averages</b>	<b>951</b>	<b>39 %</b>	<b>33 %</b>	<b>28 %</b>	<b>951</b>	<b>60.1 %</b>	<b>\$218.06</b>	<b>\$130.97</b>	<b>951</b>	<b>69.7 %</b>	<b>\$214.31</b>	<b>\$149.46</b>	<b>105.0 %</b>	<b>113.0 %</b>
Secondary Competitors	1,776	41 %	31 %	27 %	1,134	59.5 %	\$181.75	\$108.09	1,185	63.7 %	\$185.84	\$118.46	96.0 %	89.6 %
<b>Totals/Averages</b>	<b>2,727</b>	<b>40 %</b>	<b>32 %</b>	<b>28 %</b>	<b>2,085</b>	<b>59.7 %</b>	<b>\$198.40</b>	<b>\$118.53</b>	<b>2,136</b>	<b>66.4 %</b>	<b>\$199.15</b>	<b>\$132.26</b>	<b>100.0 %</b>	<b>100.0 %</b>

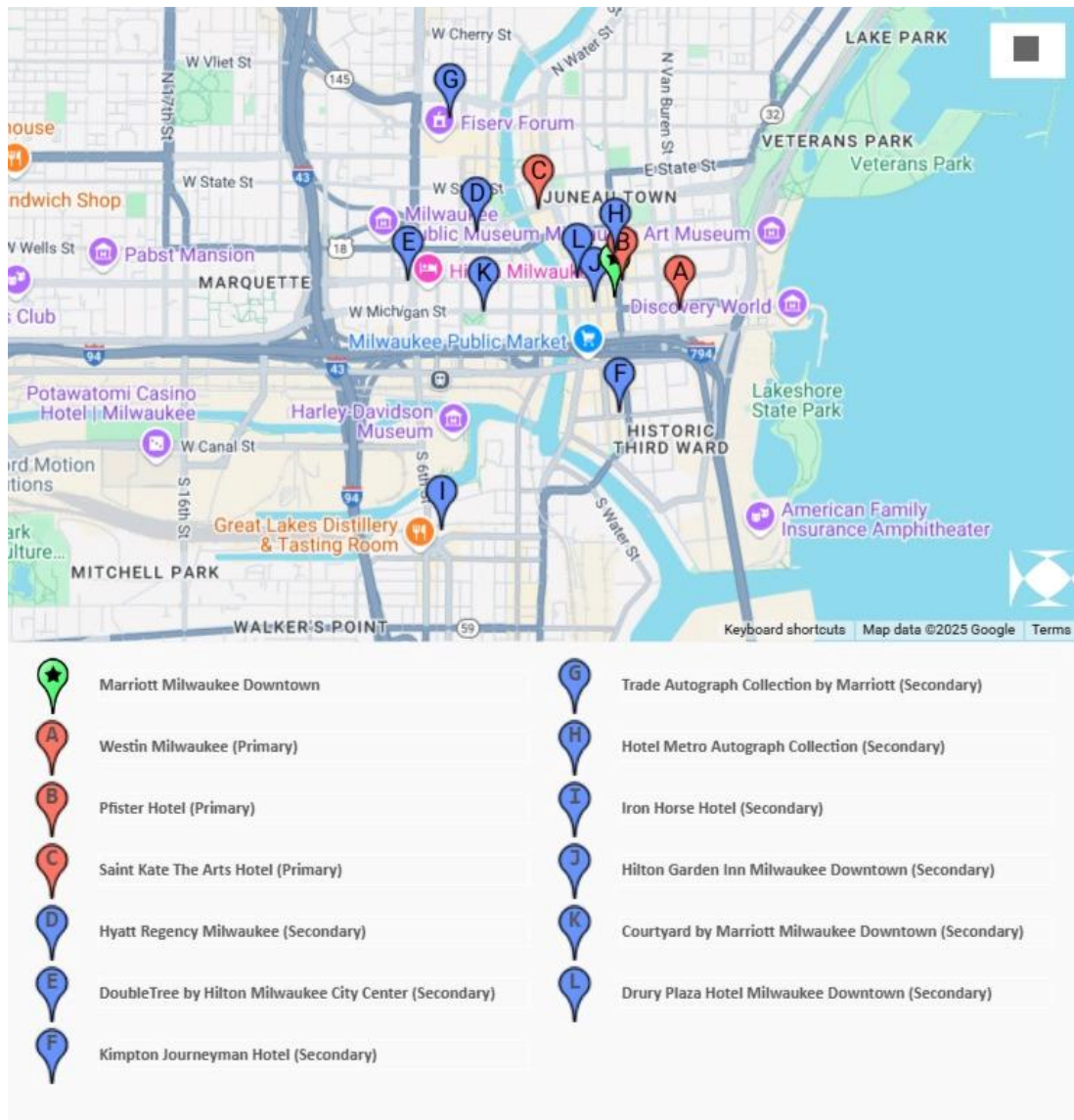
\* Specific occupancy and average rate data were utilized in our analysis, but are presented in ranges in the above table for the purposes of confidentiality.

**FIGURE 5-14 PRIMARY COMPETITORS – FACILITY SUMMARY**

Property	Number of Rooms	Year Opened	Last Major Renovation(s)	Approx. Miles To Subject Property	Food and Beverage Outlets	Indoor Meeting Space (SF)	Meeting Space per Room	Facilities & Amenities
Milwaukee Marriott Downtown 625 North Milwaukee Street	205	2013	—	—	East Town Kitchen + Bar	8,907	43.4	Fitness Center, Market Pantry, Room Service, Concierge Lounge; Laundry/Valet Service
Westin Milwaukee 550 North Van Buren Street	220	2017		0.2	Stella Van Buren	9,632	43.8	Business Center; Concierge; Fitness Center; Coffee Station; Laundry/Valet Service
Pfister Hotel 424 East Wisconsin Avenue	307	1893	2024	0.1	Mason Street Grill; Blu; Cafe at the Pfister; Lobby Lounge	25,000	81.4	Business Center; Concierge; Retail Outlet/Boutique; Room Service; Full-Service Spa; Indoor Swimming Pool; Fitness Room
Saint Kate The Arts Hotel 139 East Kilbourn Avenue	219	1988	2019	0.4	Aria; Proof Pizza; Giggly; the Bar; The Dark Room	11,597	53.0	Guest Laundry Area; Concierge; Room Service; Gift Shop; Fitness Center; Laundry/Valet Service; Electric Vehicle Chargers

The following map illustrates the locations of the subject property and its competitors.

## MAP OF COMPETITION



Our survey of the primarily competitive hotels in the local market shows a range of lodging types and facilities. Each primary competitor was inspected and evaluated. Descriptions of our findings are presented below.

## PRIMARY COMPETITOR #1 - WESTIN MILWAUKEE



**Westin Milwaukee**  
**550 North Van Buren**  
**Street**  
**Milwaukee, WI**

**FIGURE 5-15 ESTIMATED HISTORICAL OPERATING STATISTICS**

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Est. 2019	220	70 - 75 %	\$210 - \$220	\$150 - \$160	100 - 110 %	120 - 130 %
Est. 2021	220	40 - 45	180 - 190	75 - 80	95 - 100	100 - 110
Est. 2022	220	50 - 55	220 - 230	115 - 120	90 - 95	100 - 110
Est. 2023	220	55 - 60	220 - 230	130 - 140	90 - 95	100 - 110
Est. 2024	220	65 - 70	230 - 240	150 - 160	95 - 100	110 - 120

The Westin Hotel, which opened in 2017, benefits from its relatively recent construction. Furthermore, the hotel is located near several commercial entities in the downtown market area and features a skywalk connecting it to the US Bank Center. This hotel is operated by White Lodging Services, which also operates the subject Marriott property. Overall, the property appeared to be in very good condition, superior to the subject property's condition. Its location is similar to that of the Milwaukee Marriott Downtown.



## PRIMARY COMPETITOR #2 - PFISTER HOTEL



**Pfister Hotel**  
**424 East Wisconsin**  
**Avenue**  
**Milwaukee, WI**

**FIGURE 5-16 ESTIMATED HISTORICAL OPERATING STATISTICS**

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Est. 2019	307	75 - 80 %	\$190 - \$200	\$140 - \$150	100 - 110 %	110 - 120 %
Est. 2021	307	40 - 45	200 - 210	90 - 95	100 - 110	110 - 120
Est. 2022	307	60 - 65	200 - 210	125 - 130	100 - 110	110 - 120
Est. 2023	307	55 - 60	210 - 220	120 - 125	95 - 100	100 - 110
Est. 2024	307	65 - 70	190 - 200	130 - 140	100 - 110	95 - 100

A comprehensive \$20-million renovation to the Pfister Hotel's guestrooms and public spaces took place in 2023/24. The renovation included an update of its historic guestrooms, a full revitalization of the ballrooms and meeting space, and enhancements to the lobby, lobby bar, and Café at the Pfister. Property representatives report that a portion of the guestrooms were not fully updated. This property benefits from its grand, historic lobby and its extensive meeting space. The Pfister is managed by Marcus Hotel & Resorts, which also operates the Saint Kate the Arts Hotel and the Hilton Milwaukee City Center in this downtown area. Overall, the property appeared to be in very good condition, superior to the subject property's condition. Its location is similar to that of the Milwaukee Marriott Downtown.



### PRIMARY COMPETITOR #3 - SAINT KATE THE ARTS HOTEL



**Saint Kate The Arts  
Hotel  
139 East Kilbourn  
Avenue  
Milwaukee, WI**

**FIGURE 5-17 ESTIMATED HISTORICAL OPERATING STATISTICS**

Year	Wtd. Annual Room Count	Occupancy	Average Rate	RevPAR	Occupancy Penetration	Yield Penetration
Est. 2019	130	45 - 50 %	\$160 - \$170	\$75 - \$80	60 - 65 %	60 - 65 %
Est. 2021	219	40 - 45	220 - 230	90 - 95	90 - 95	110 - 120
Est. 2022	219	55 - 60	230 - 240	130 - 140	100 - 110	120 - 130
Est. 2023	219	60 - 65	240 - 250	150 - 160	100 - 110	120 - 130
Est. 2024	219	70 - 75	240 - 250	170 - 180	100 - 110	130 - 140

This property was previously branded as an InterContinental hotel before new ownership converted it to an independent, boutique hotel in 2019. This hotel is known for its vast displays of art throughout the hotel and its proximity to the Marcus Performing Arts Center. Saint Kate The Arts Hotel is managed by Marcus Hotel & Resorts, which also operates the Pfister Hotel and the Hilton Milwaukee City Center in this downtown area. Overall, the property appeared to be in very good condition, superior to the subject property's condition. Its location is similar to that of the Milwaukee Marriott Downtown.

**Secondary Competitors**

We have also reviewed other area lodging facilities to determine whether any may compete with the subject hotel on a secondary basis. The room count of each secondary competitor has been weighted based on its assumed degree of competitiveness with the subject hotel. By assigning degrees of competitiveness, we can assess how the subject hotel and its competitors may react to various changes in the market, including new supply, changes to demand generators, and renovations or franchise changes of existing supply. The following table sets forth the pertinent operating characteristics of the secondary competitors.

**FIGURE 5-18 SECONDARY COMPETITORS – OPERATING PERFORMANCE**

Property	Number of Rooms	Est. Segmentation			Total Competitive Level	Estimated 2023				Estimated 2024			
		Commercial	Meeting and Group	Leisure		Weighted Annual Room Count	Occ.	Average Rate	RevPAR	Weighted Annual Room Count	Occ.	Average Rate	RevPAR
Hyatt Regency Milwaukee	481	30 %	50 %	20 %	75 %	361	50 - 55 %	\$140 - \$150	\$75 - \$80	361	55 - 60 %	\$140 - \$150	\$80 - \$85
DoubleTree by Hilton Milwaukee City Center	243	65	15	20	75	182	60 - 65	160 - 170	100 - 105	182	55 - 60	160 - 170	95 - 100
Kimpton Journeyman Hotel	158	30	40	30	75	119	65 - 70	230 - 240	160 - 170	119	70 - 75	230 - 240	160 - 170
Trade Autograph Collection by Marriott	207	30	35	35	75	104	50 - 55	240 - 250	130 - 140	155	65 - 70	250 - 260	160 - 170
Hotel Metro Autograph Collection	63	50	15	35	65	41	65 - 70	230 - 240	160 - 170	41	70 - 75	230 - 240	170 - 180
Iron Horse Hotel	100	25	40	35	65	65	60 - 65	260 - 270	160 - 170	65	70 - 75	240 - 250	170 - 180
Hilton Garden Inn Milwaukee Downtown	127	60	15	25	50	64	75 - 80	170 - 180	125 - 130	64	70 - 75	170 - 180	120 - 125
Courtyard by Marriott Milwaukee Downtown	170	55	15	30	50	85	50 - 55	150 - 160	80 - 85	85	60 - 65	150 - 160	95 - 100
Drury Plaza Hotel Milwaukee Downtown	227	55	10	35	50	114	50 - 55	160 - 170	85 - 90	114	60 - 65	150 - 160	95 - 100
<b>Totals/Averages</b>	<b>1,776</b>	<b>41 %</b>	<b>31 %</b>	<b>27 %</b>	<b>67 %</b>	<b>1,134</b>	<b>59.5 %</b>	<b>\$181.75</b>	<b>\$108.09</b>	<b>1,185</b>	<b>63.7 %</b>	<b>\$185.84</b>	<b>\$118.46</b>
* Specific occupancy and average rate data was utilized in our analysis, but is presented in ranges in the above table for the purposes of confidentiality.													

We have identified nine hotels that compete with the subject hotel on a secondary level. The Hyatt Regency, the DoubleTree by Hilton, the Kimpton Journeyman, and the Trade Autograph Collection by Marriott are all competitive based on general location and price point; however, these assets are located slightly farther from the immediate area and capture a different mix of target guests. We note that the Hyatt Regency, which is connected to the Baird Center, is heavily focused on meeting and group demand, while the Trade Autograph Collection, which opened in the summer of 2023, is located adjacent to the Fiserv Forum and captures a high percentage of sports-related demand. The Hotel Metro Autograph Collection and the Iron Horse Hotel are competitive based on location; however, both of these hotels offer a much smaller inventory of guestrooms and are able to leverage higher average rates. The Hilton Garden Inn, the Courtyard by Marriott, and the Drury Plaza Hotel are all competitive given their respective downtown locations; however, these hotels offer select-service amenities and command a lower price point.

### Supply Changes

It is important to consider any new hotels that may have an impact on the subject property's operating performance. Hotels that have recently opened, are under construction, or that may be in the early development stages in the Milwaukee market are noted below.

**FIGURE 5-19 AREA HOTEL DEVELOPMENT ACTIVITY**

Proposed Hotel Name	Estimated Number of Rooms	Hotel Product Tier	Development Stage	Address
Tempo by Hilton	158	Upscale	Early Development	308 W Kilbourne
Tapestry Hotel	130	Upscale	Early Development	1709 North Farwell Avenue
Moxy by Marriott	156	Upper-Midscale	Seeking Entitlements	1001 North Fourth Street
Iron District Hotel	180	Upscale	Early Development	633 West Michigan Street
Hoffco Shoe Polish Redevelopment- a Marriott Tribute	120	Upscale	Speculative	125 North Water Street
River 1 Hotel	103	TBD	Development on Hold	First Street and Becher Street
Froehlich Paper Warehouse Hotel	80	Upscale	Speculative	419 West Vliet Street

A number of hotels have been proposed for development throughout the market; however, given the speculative nature of these projects or their proposed service level, they have only been considered qualitatively in our analysis.

While we have taken reasonable steps to investigate proposed hotel projects and their status, due to the nature of real estate development, it is impossible to determine with certainty every hotel that will be opened in the future or what their marketing strategies and effect on the market will be. Depending on the outcome of current and future projects, the operating potential of the subject property may be affected. Future improvement in market conditions will raise the risk of increased

competition. Our forthcoming forecast of stabilized occupancy and ADR is intended to reflect such risk.

### Supply Conclusion

We have identified various properties that are competitive to some degree with the subject property. We have also investigated potential increases in competitive supply in this Milwaukee submarket. The Milwaukee Marriott Downtown will continue to operate in a dynamic market of varying product types and price points. Next, we will present our forecast for demand change, using the historical supply data presented as a starting point.

### DEMAND

The following table presents the most recent trends for the subject hotel market as tracked by HVS. These data pertain to the subject and competitors discussed previously in this section; performance results are estimated, rounded for the competition, and weighted if there are secondary competitors present. In this respect, the information in the table differs from the previously presented STR data and is consistent with the supply and demand analysis developed for this appraisal.

**FIGURE 5-20 HISTORICAL MARKET TRENDS**

Year	Accommodated		Room Nights		Market			Market	
	Room Nights	% Change	Available	% Change	Occupancy	Market ADR	% Change	RevPAR	% Change
Est. 2019	466,135	—	658,818	—	70.8 %	\$172.18	—	\$121.82	—
Est. 2020	228,037	(51.1) %	765,608	16.2 %	29.8	128.08	(25.6) %	38.15	(68.7) %
Est. 2021	302,042	32.5	679,404	(11.3)	44.5	175.74	37.2	78.13	104.8
Est. 2022	409,110	35.4	722,864	6.4	56.6	190.00	8.1	107.53	37.6
Est. 2023	454,559	11.1	760,901	5.3	59.7	198.40	4.4	118.53	10.2
Est. 2024	517,719	13.9	779,531	2.4	66.4	199.15	0.4	132.26	11.6
Avg. Annual Compounded									
Chg., Est. 2019-Est. 2024:		2.1 %		3.4 %			3.0 %		1.7 %

Although not shown in the preceding table, as a point of comparison, the year-to-date 2025 STR trend data indicate a market occupancy level of 60.0% versus 52.0% for the same period of time in 2024. Moreover, ADR registered \$170.01 for the year-to-date 2025 period, reflecting a change of 11.4% when compared with the ADR for the same period of time in 2024.

### Demand Analysis Using Market Segmentation

For the purpose of demand analysis, the overall market is divided into individual segments based on the nature of travel. Based on our fieldwork, area analysis, and knowledge of the local lodging market, we estimate the 2024 distribution of accommodated-room-night demand as follows:



**FIGURE 5-21 BASE-YEAR ACCOMMODATED-ROOM-NIGHT DEMAND**

Market Segment	Marketwide		Subject Property	
	2024 Accommodated Demand	Percentage of Total	2024 Accommodated Demand	Percentage of Total
Commercial	207,977	40 %	21,961	42 %
Meeting and Group	166,907	32	12,549	24
Leisure	142,835	28	17,778	34
<b>Total</b>	<b>517,719</b>	<b>100 %</b>	<b>52,287</b>	<b>100 %</b>

In the base year, the market's demand mix comprised commercial demand, with this segment representing roughly 40% of the accommodated room nights in this Milwaukee submarket. The remaining portion comprised meeting and group at 32%, with the final portion leisure in nature, reflecting 28%.

Using the distribution of accommodated hotel demand as a starting point, we will analyze the characteristics of each market segment in an effort to determine future trends in room-night demand.

### Commercial Segment

Commercial demand consists mainly of individual businesspeople passing through the subject market or visiting area businesses, in addition to high-volume corporate accounts generated by local firms. Brand loyalty (particularly frequent-traveler programs), as well as location and convenience with respect to businesses and amenities, influence lodging choices in this segment. Companies typically designate hotels as "preferred" accommodations in return for more favorable rates, which are discounted in proportion to the number of room nights produced by a commercial client. Commercial demand is strongest on Monday through Thursday nights, declines significantly on Friday and Saturday, and increases somewhat on Sunday night. It is relatively constant throughout the year, with marginal declines in late December and during other holiday periods.

Primary commercial demand generators for this market include major corporate offices in the area, such as Rockwell Automation, Baird, Northwestern Mutual, Harley-Davidson, and A.O. Smith, as well as airline crew business. Commercially driven demand declined notably in 2020 and early 2021 given the COVID-19 pandemic. In 2021, Johnson Controls announced it would close its downtown campus over the next two years and move the 1,260 employees to its operating headquarters campus in Glendale; however, several companies are in the process of ramping up their Downtown presence. In 2023, Milwaukee Tool completed construction of its new offices downtown and is expected to host up to 1,200

employees at this location by the end of 2026. Enerpac Tool Group Corp. relocated its corporate headquarters to Westtown in 2025, while Fiserv opened a new global headquarters office downtown in March 2024. Furthermore, Northwestern Mutual plans to relocate an additional 1,300 employees downtown in 2026. As employees continue to return to offices and business travel increases, we expect commercial demand to rebound further in the near future. It is important to note that airline crew demand increased in 2024 and year-to-date 2025 at the subject property, as well as within the competitive set

### Meeting and Group Segment

The meeting-and-group market includes meetings, seminars, conventions, trade association shows, and similar gatherings of ten or more people. Peak convention demand typically occurs in the spring and fall. Although there are numerous classifications within the meeting/group segment, the primary categories considered in this analysis are corporate groups, associations, and SMERFE (social, military, ethnic, religious, fraternal, and educational) groups. Corporate groups typically meet during the business week, most commonly in the spring and fall months. These groups tend to be the most profitable for hotels, as they often pay higher rates and generate ancillary revenues, including food and beverage and/or banquet revenue. SMERFE groups are typically price sensitive and tend to meet on the weekends, during non-peak months, or over the holiday season, when greater discounts are usually available; these groups generate limited ancillary revenues. Association demand is generally divided on a geographical basis; national, regional, and state associations represent the most common sources. Professional associations and/or those supported by members' employers often meet on weekdays, while other associations prefer to hold events on weekends. The profile and revenue potential of associations varies depending on the group and the purpose of the meeting or event.

Meeting and group demand in the area is driven by corporate training and business meetings associated with the nearby companies, as well as by large events hosted at the Fiserv Forum and the Baird Center. Demand within this segment is expected to accelerate in the coming years, given the May 2024 opening of the Baird Center's expansion, and strong booking pace.

### Leisure Segment

Leisure demand consists of individuals and families spending time in an area or passing through en route to other destinations. Travel purposes include sightseeing, recreation, or visiting friends and relatives. Leisure demand also includes room nights booked through Internet sites such as Expedia, Hotels.com, and Priceline; however, leisure may not be the purpose of the stay. This demand may also include business travelers and group and convention attendees who use these channels to take advantage of any discounts that may be available on these sites. Leisure demand is strongest on Friday and Saturday nights and all week during holiday periods and the summer months. These peak periods represent the inverse of

commercial visitation trends, underscoring the stabilizing effect of capturing weekend and summer tourist travel. Future leisure demand is related to the overall economic health of the region and the nation. Trends showing changes in state and regional unemployment and disposable personal income correlate strongly with leisure travel levels.

Leisure demand is primarily generated by the retail establishments, restaurants, entertainment and sports venues, and cultural attractions in Downtown Milwaukee, as well as by travelers visiting friends and family. Major tourism attractions include the Fiserv Forum, the Milwaukee Art Museum, Harley Davidson, and Lake Michigan. In 2024, weekend transient demand in this segment was strong, peaking during the summer months when vacation travel was at its height. Similar trends are expected for 2025, with events such as the Harley-Davidson Homecoming, Summerfest, and USA Triathlon taking place in the market. In March of 2025, Milwaukee hosted the first round of the NCAA men's basketball tournament.

#### Base Demand Growth Rates

Our overall demand forecast for the market was shaped by an evaluation of monthly occupancy patterns. Based upon this monthly analysis, our interviews, and changes in segmentation in recent months, we have projected demand by segment and have concluded to an overall annual occupancy for the market.

**FIGURE 5-22 AVERAGE ANNUAL COMPOUNDED MARKET-SEGMENT GROWTH RATES**

Market Segment	Annual Growth Rate			
	2025	2026	2027	2028
Commercial	1.0 %	1.5 %	1.0 %	0.0 %
Meeting and Group	3.0	4.0	2.0	0.0
Leisure	1.0	1.0	1.0	0.0
<b>Base Demand Growth</b>	<b>1.6 %</b>	<b>2.2 %</b>	<b>1.3 %</b>	<b>0.0 %</b>

### Accommodated Demand and Market- wide Occupancy

Based upon a review of the market dynamics in the subject property's competitive environment, we have forecast growth rates for each market segment. Using the calculated potential demand for the market, we have determined market-wide accommodated demand based on the inherent limitations of demand fluctuations and other factors in the market area. The following table details our projection of lodging demand growth for the subject market, including the total number of occupied room nights and any residual unaccommodated demand in the market.

**FIGURE 5-23 ACCOMMODATED DEMAND**

	<i>Historical</i>		<i>Projected</i>		
	2024	2025	2026	2027	2028
<b>Commercial</b>					
Total Demand	207,977	210,057	213,208	215,340	215,340
Growth Rate	(0.9) %	1.0 %	1.5 %	1.0 %	0.0 %
<b>Meeting and Group</b>					
Total Demand	166,907	171,914	178,791	182,366	182,366
Growth Rate	2.3 %	3.0 %	4.0 %	2.0 %	0.0 %
<b>Leisure</b>					
Total Demand	142,835	144,263	145,706	147,163	147,163
Growth Rate	53.2 %	1.0 %	1.0 %	1.0 %	0.0 %
<b>Totals</b>					
Base Demand	517,719	526,234	537,704	544,869	544,869
less: Residual Demand	0	0	0	381	381
Total Accommodated Demand	517,719	526,234	537,704	544,488	544,488
<b>Overall Demand Growth</b>	11.1 %	1.6 %	2.2 %	1.3 %	0.0 %
<b>Market Mix</b>					
Commercial	40.2 %	39.9 %	39.7 %	39.5 %	39.5 %
Meeting and Group	32.2	32.7	33.3	33.5	33.5
Leisure	27.6	27.4	27.1	27.0	27.0
<b>Existing Hotel Supply</b>	2,136	2,136	2,136	2,136	2,136
Available Room Nights per Year	779,531	779,531	779,531	779,531	779,531
Nights per Year	365	365	365	365	365
<b>Total Supply</b>	2,136	2,136	2,136	2,136	2,136
Rooms Supply Growth	—	0.0 %	0.0 %	0.0 %	0.0 %
<b>Marketwide Occupancy</b>	66.4 %	67.5 %	69.0 %	69.8 %	69.8 %

The defined competitive market of hotels experienced a favorable trend of demand growth in 2024, with occupancy surpassing 66% and ADR registering a modest increase. This trend reflects an overall healthy market with a diverse mix of demand sources. Year-to-date 2025 data reflect strong gains in both occupancy and ADR fueled by the NCAA basketball tournament, as well as favorable group and corporate demand. Given the economic uncertainty at the time of our inspection, area managers remained cautious about demand for the remainder of 2025. Based on historical occupancy levels in this market, and taking into consideration typical supply and demand cyclicalities, market occupancy is forecast to stabilize near the level achieved in 2019.

## 6. Projection of Occupancy and Average Rate

Along with ADR results, the occupancy levels achieved by a hotel are the foundation of the property's financial performance and market value. Most of a lodging facility's other revenue sources (such as food and beverage, other operated departments, and miscellaneous income) are driven by the number of guests, and many expense levels vary with occupancy. To a certain degree, occupancy attainment can be manipulated by management. For example, hotel operators may choose to lower rates in an effort to maximize occupancy. Our forecasts reflect an operating strategy that we believe would be implemented by a typical, professional hotel management team to achieve an optimal mix of occupancy and average rate.

### Historical Operating Performance

The following table sets forth the subject hotel's historical occupancy, ADR, and RevPAR results. For the purpose of comparison, we have presented corresponding data (as provided by STR) for the competitive hotels described in the previous section. In addition to the annual percent change calculations, we have determined the subject hotel's occupancy, ADR, and RevPAR penetration rates.



**FIGURE 6-1 HISTORICAL TRENDS**

									Year-to-Date Through March	
	2017	2018	2019	2020	2021	2022	2023	2024	2024	2025
Milwaukee Marriott Downtown				Partial Year Operations						
Occupancy	73.0 %	70.0 %	77.2 %	64.8 %	41.6 %	55.3 %	63.3 %	69.9 %	58.2 %	59.5 %
Change in Points	1.0	(3.0)	7.2	(12.5)	(23.2)	13.7	8.0	6.6	—	1.3
Occupancy Penetration	103.2 %	98.2 %	110.6 %	219.1 %	93.5 %	98.6 %	105.9 %	105.8 %	112.1 %	99.3 %
Average Rate	\$186.00	\$183.00	\$191.75	\$177.59	\$204.51	\$181.49	\$190.36	\$200.81	\$146.29	\$178.51
Change	(2.1) %	(1.6) %	4.8 %	(7.4) %	15.2 %	(11.3) %	4.9 %	5.5 %	—	22.0 %
Average Rate Penetration	117.4 %	115.3 %	112.9 %	145.8 %	119.8 %	97.9 %	98.0 %	102.9 %	95.8 %	105.0 %
RevPAR	\$135.78	\$128.10	\$148.12	\$115.07	\$85.15	\$100.36	\$120.47	\$140.32	\$85.20	\$106.28
Change	(0.7) %	(5.7) %	15.6 %	(22.3) %	(26.0) %	17.9 %	20.0 %	16.5 %	—	24.7 %
RevPAR Penetration	121.2 %	113.3 %	125.0 %	319.3 %	112.0 %	96.5 %	103.8 %	108.8 %	107.4 %	104.2 %
									Year-to-Date Through March	
	2017	2018	2019	2020	2021	2022	2023	2024	2024	2025
Competitive Set										
Occupancy	70.7 %	71.3 %	69.8 %	29.6 %	44.5 %	56.1 %	59.7 %	66.0 %	52.0 %	60.0 %
Change in Points	—	0.6	(1.5)	(40.2)	15.0	11.6	3.7	6.3	—	8.0
Average Rate	\$158.39	\$158.71	\$169.79	\$121.83	\$170.74	\$185.33	\$194.28	\$195.23	\$152.65	\$170.01
Change	— %	0.2 %	7.0 %	(28.2) %	40.1 %	8.5 %	4.8 %	0.5 %	—	11.4 %
RevPAR	\$111.99	\$113.11	\$118.53	\$36.04	\$76.03	\$103.95	\$116.08	\$128.93	\$79.30	\$101.96
Change	— %	1.0 %	4.8 %	(69.6) %	111.0 %	36.7 %	11.7 %	11.1 %	—	28.6 %

Source : STR

In review of the subject hotel's occupancy level, it should be noted that the data for both 2020 and 2021 represent partial-year data, as the hotel was reportedly closed between March 2020 and August 2021. In 2023 and 2024, the subject hotel's occupancy level continued to increase but, similar to the rest of the competitive market, remained below 2019 levels. The hotel's occupancy is higher than the aggregate market average, influenced by its favorable brand affiliation and location. The 2024 RevPAR penetration was lower than pre-pandemic levels, partially due to the significant increase in rooms supply in the greater downtown area, and the competitive rate environment that has resulted.

The subject property recorded a 48% increase in RevPAR in March 2025, with Milwaukee's hosting of the first and second rounds of the NCAA men's basketball tournament, as well as other large citywide events. As illustrated in the year-to-date 2025 data, the hotel's ADR increased significantly, attributed primarily to success in attracting higher rated transient demand, at the expense of lower rated group business. While occupancy increased significantly at the subject property thus far in 2025, it did not keep pace with that of the market, and thus, occupancy penetration declined moderately. While both occupancy and ADR increased in the year-to-date period, the strong gains in ADR were not enough for the subject property to keep up with the market's growth in RevPAR, resulting in a slight decline in RevPAR penetration. Following the completion of the assumed renovations, we would anticipate RevPAR penetration to rebound.

#### Penetration Rate Analysis

The subject hotel's forecasted market share and occupancy levels are based upon its anticipated competitive position within the market, as quantified by its penetration rate. The penetration rate is the ratio of a hotel's market share to its fair share.

#### Base-Year Penetration Rates by Market Segment

In the following table, the penetration rates attained by the primary competitors and the aggregate secondary competitors are set forth for each segment for the base year, 2024.

**FIGURE 6-2 HISTORICAL OCCUPANCY PENETRATION RATES**

Property	Meeting and			Overall
	Commercial	Group	Leisure	
Milwaukee Marriott Downtown	110 %	78 %	130 %	105 %
Westin Milwaukee	111	92	90	99
Pfister Hotel	92	131	96	105
Saint Kate The Arts Hotel	96	119	120	110
Secondary Competition	99	94	94	96

### Forecast of Subject Property's Occupancy

As a result of its varying levels of penetration among the three market demand segments, the Milwaukee Marriott Downtown achieved an overall penetration rate of 105% among the weighted competitive set in 2024. Overall, the subject hotel's occupancy penetration level was ranked third among the illustrated averages.

Because the supply and demand balance for the competitive market is dynamic, there is a circular relationship between the penetration factors of each hotel in the market. The performance of individual new hotels has a direct effect upon the aggregate performance of the market and, consequently, upon the calculated penetration factor for each hotel in each market segment. The same is true when the performance of existing hotels changes, either positively (following a refurbishment, for example) or negatively (when a poorly maintained or marketed hotel loses market share).

A hotel's penetration factor is calculated as its achieved market share of demand divided by its fair share of demand. Thus, if one hotel's penetration performance increases, thereby increasing its achieved market share, this leaves less demand available in the market for the other hotels to capture, and the penetration performance of one or more of those other hotels consequently declines (other things remaining equal). This type of market share adjustment takes place every time there is a change in supply or a change in the relative penetration performance of one or more hotels in the competitive market.

Our projections of penetration, demand capture, and occupancy performance for the subject property account for these types of adjustments to market share within the defined competitive market. Consequently, the actual penetration factors applicable to the subject property and its competitors for each market segment in each projection year may vary somewhat from the penetration factors delineated in the previous table.

Similar to the market forecast, the subject hotel's occupancy has been analyzed on a monthly basis. The subject hotel's occupancy forecast is set forth as follows, with the adjusted projected penetration rates used as a basis for calculating the amount of captured market demand.

**FIGURE 6-3 FORECAST OF SUBJECT PROPERTY'S OCCUPANCY**

Market Segment	Historical	Projected			
	2024	2025	2026	2027	2028
<b>Commercial</b>					
Demand	207,977	210,057	213,208	215,190	215,190
Market Share	10.6 %	10.7 %	10.8 %	10.9 %	10.9 %
Capture	21,961	22,450	22,969	23,368	23,368
Penetration	110 %	111 %	112 %	113 %	113 %
<b>Meeting and Group</b>					
Demand	166,907	171,914	178,791	182,239	182,239
Market Share	7.5 %	7.0 %	6.9 %	7.1 %	7.1 %
Capture	12,549	12,082	12,404	13,019	13,019
Penetration	78 %	73 %	72 %	74 %	74 %
<b>Leisure</b>					
Demand	142,835	144,263	145,706	147,060	147,060
Market Share	12.4 %	12.4 %	12.3 %	12.1 %	12.1 %
Capture	17,778	17,955	17,859	17,807	17,807
Penetration	130 %	130 %	128 %	126 %	126 %
<b>Total Room Nights Captured</b>	<b>52,287</b>	<b>52,487</b>	<b>53,232</b>	<b>54,195</b>	<b>54,195</b>
Available Room Nights	74,825	74,825	74,825	74,825	74,825
<b>Subject Occupancy</b>	<b>70 %</b>	<b>70 %</b>	<b>71 %</b>	<b>72 %</b>	<b>72 %</b>
Market-wide Available Room Nights	779,531	779,531	779,531	779,531	779,531
<b>Fair Share</b>	<b>10 %</b>	<b>10 %</b>	<b>10 %</b>	<b>10 %</b>	<b>10 %</b>
Market-wide Occupied Room Nights	517,719	526,234	537,704	544,488	544,488
<b>Market Share</b>	<b>10 %</b>	<b>10 %</b>	<b>10 %</b>	<b>10 %</b>	<b>10 %</b>
<b>Market-wide Occupancy</b>	<b>66 %</b>	<b>68 %</b>	<b>69 %</b>	<b>70 %</b>	<b>70 %</b>
<b>Total Penetration</b>	<b>105 %</b>	<b>104 %</b>	<b>103 %</b>	<b>104 %</b>	<b>104 %</b>

While occupied room nights are expected to increase modestly in 2025, the occupancy penetration is forecast to decrease slightly as renovations are assumed to take place during the off-peak months, beginning in late 2025 into the first part of 2026. Thereafter, occupancy is expected to increase given the expectation of improved penetration following renovations, and the occupancy penetration is expected to stabilize near 104.0%, reflecting a level supported by historical performance.

These positioned segment penetration rates result in the following market segmentation forecast.

**FIGURE 6-4 MARKET SEGMENTATION FORECAST – SUBJECT PROPERTY**

	2024	2025	2026	2027	2028
Commercial	42 %	43 %	43 %	43 %	43 %
Meeting and Group	24	23	23	24	24
Leisure	34	34	34	33	33
<b>Total</b>	100 %	100 %	100 %	100 %	100 %

Based on our analysis of the subject property and market area, we have selected a stabilized occupancy level of 72% in 2027/28. The stabilized occupancy is intended to reflect the anticipated results of the property over its remaining economic life given all changes in the life cycle of the hotel. Thus, the stabilized occupancy excludes from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusually high or low occupancies. Although the subject hotel may operate at occupancies above this stabilized level, we believe it equally possible for new competition and temporary economic downturns to force the occupancy below this selected point of stability.

#### Average Rate Analysis

One of the most important considerations in estimating the value of a lodging facility is a supportable forecast of its attainable ADR, which is more formally defined as the ADR per occupied room and can be calculated by dividing the total rooms revenue achieved during a specified period by the number of rooms sold during the same period. The projected ADR and the anticipated occupancy percentage are used to forecast rooms revenue, which in turn provides the basis for estimating most other income and expense categories.

#### Competitive Position

Although the ADR analysis presented here follows the occupancy projection, these two statistics are highly correlated; one cannot project occupancy without making specific assumptions regarding ADR. This relationship is best illustrated by RevPAR, which reflects a property's ability to maximize rooms revenue. The following tables summarize the historical ADR and RevPAR levels and the respective ADR and RevPAR penetration levels for each brand component of the subject property and its competitors.

**FIGURE 6-5 BASE-YEAR ADR AND REVPAR – SUBJECT PROPERTY AND ITS COMPETITORS**

Property	Estimated 2024 Average Room Rate	Average Rate Penetration	Rooms Revenue Per Available Room (RevPAR)	RevPAR Penetration
Milwaukee Marriott Downtown	\$200.81	100.8 %	\$140.32	106.1 %
Westin Milwaukee	230 - 240	110 - 120	150 - 160	110 - 120
Pfister Hotel	190 - 200	90 - 95	130 - 140	100 - 110
Saint Kate The Arts Hotel	240 - 250	120 - 130	170 - 180	130 - 140
Average - Subject & Primary Competitors	\$214.31	107.6 %	\$149.46	113.0 %
Average - Secondary Competitors	185.84	93.3	118.46	89.6
<b>Overall Average</b>	<b>\$199.15</b>	<b>100.0 %</b>	<b>\$132.26</b>	<b>100.0 %</b>

The following table illustrates the subject property's annual ADR positioning relative to the competitive market in recent years.

**FIGURE 6-6 HISTORICAL ADR – MARKET AND SUBJECT PROPERTY**

Year	Areawide (Calendar Year)		Subject Property (Calendar Year)		
	Average Rate	Average Rate Growth	Average Rate	Average Rate Growth	Average Rate Penetration
2020	\$128.08	—	\$177.59	—	138.7 %
2021	175.74	37.2 %	204.51	15.2 %	116.4
2022	190.00	8.1	181.49	-11.3	95.5
2023	198.40	4.4	190.36	4.9	95.9
2024	199.15	0.4	200.81	5.5	100.8

The Trade Autograph Collection (a secondary competitor) achieved the highest estimated RevPAR levels in the local competitive market, by a modest margin, because of its recent construction, upper upscale product offering, and location proximate to Fiserv Forum. Of the primary competitive set, the Saint Kate The Arts Hotel achieved the highest estimated ADR because of its relatively new product and high-end finishes. The subject hotel's historical rate reflects the property's



positioning as a full-service, upper-upscale lodging facility; this rate level is considered appropriate for this market given the hotel's brand, physical condition, and available amenities.

Market-wide ADR remained relatively stable in 2024, as the volume of lower-rated commercial business picked up, in conjunction with the hosting of the Republican National Convention in July. This illustrates a moderation after the strong upward movement that was partly fueled by heightened inflation in 2021 and 2022. While ADR growth slowed slightly in 2023, it continued an upward trajectory given that demand levels remained favorable. While we expect ADR growth to slow for the majority of the 2025 calendar year, particularly considering the high-rated Republican National Convention which influenced 2024 ADR, Milwaukee hosted the first and second rounds of the NCAA men's basketball tournament in March, as well as several large events at the Baird Center. According to the Wisconsin Center District and Visit Milwaukee, the convention center is expecting a very strong year following the expansion. As such, annual ADR is expected to remain fairly stable in 2025.

Similar to the occupancy projections for the market and the subject hotel, we have evaluated ADR on a monthly basis; the following table illustrates the projected ADR and growth rates assumed in our forecast. Note that our ADR forecast assumes an underlying inflation rate of 3.0%.

**FIGURE 6-7 ADR FORECAST – MARKET AND SUBJECT PROPERTY**

Year	Areawide (Calendar Year)			Subject Property (Calendar Year)			
	Occupancy	Average Rate Growth	Average Rate	Occupancy	Average Rate Growth	Average Rate	Average Rate Penetration
<b>Historical</b>							
2021	44.5 %	—	\$175.74	42.0 %	—	\$204.51	116.4 %
2022	56.6	8.1 %	190.00	55.0	-11.3 %	181.49	95.5
2023	59.7	4.4	198.40	63.0	4.9	190.36	95.9
2024	66.4	0.4	199.15	70.0	5.5	200.81	100.8
<b>Projected</b>							
2025	67.5 %	0.0 %	\$199.15	70.0 %	0.0 %	\$200.81	100.8 %
2026	69.0	3.0	205.12	71.0	5.0	210.85	102.8
2027	69.8	3.0	211.28	72.0	8.5	228.77	108.3
2028	69.8	3.0	217.62	72.0	3.0	235.63	108.3

As shown above, the subject hotel's ADR is projected to remain relatively stable in 2025, reflecting a correction of the peak ADR achieved during the Republican National Convention in 2024. Following the assumed renovations, which we assume

would be completed during the off-peak season in Milwaukee beginning in winter 2025, the subject hotel's ADR penetration level is expected to increase. Anticipated future economic strength in this market, with corporations moving into downtown should also support longer-term rate improvements for the subject hotel.

The following table provides a comparison of the historical performance and forecasts for the subject hotel and its competitive set on a calendar-year basis.

**FIGURE 6-8 COMPARISON OF HISTORICAL AND PROJECTED OCCUPANCY, ADR, AND REVPAR – SUBJECT PROPERTY AND MARKET**

	Historical						Projected			
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Milwaukee Marriott Downtown</b>	<i>Partial Year Operations</i>									
Occupancy	77.2 %	64.8 %	41.6 %	55.3 %	63.3 %	69.9 %	70.1 %	71.1 %	72.4 %	72.4 %
Change in Points	—	(12.5)	(23.2)	13.7	8.0	6.6	0.3	1.0	1.3	0.0
Occupancy Penetration	109.2 %	217.5 %	93.6 %	97.7 %	105.9 %	105.2 %	103.9 %	103.1 %	103.7 %	103.7 %
Average Rate	\$191.75	\$177.59	\$204.51	\$181.49	\$190.36	\$200.81	\$200.81	\$210.85	\$228.77	\$235.63
Change	—	(7.4) %	15.2 %	(11.3) %	4.9 %	5.5 %	0.0 %	5.0 %	8.5 %	3.0 %
Average Rate Penetration	111.4 %	138.7 %	116.4 %	95.5 %	95.9 %	100.8 %	100.8 %	102.8 %	108.3 %	108.3 %
RevPAR	\$148.12	\$115.07	\$85.15	\$100.36	\$120.47	\$140.32	\$140.86	\$150.00	\$165.70	\$170.67
Change	—	(22.3) %	(26.0) %	17.9 %	20.0 %	16.5 %	0.4 %	6.5 %	10.5 %	3.0 %
RevPAR Penetration	121.6 %	301.6 %	109.0 %	93.3 %	101.6 %	106.1 %	104.8 %	106.0 %	112.3 %	112.3 %
	Historical						Projected			
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Milwaukee Submarket</b>										
Occupancy	70.8 %	29.8 %	44.5 %	56.6 %	59.7 %	66.4 %	67.5 %	69.0 %	69.8 %	69.8 %
Change in Points	—	(41.0)	14.7	12.1	3.1	6.7	1.1	1.5	0.9	0.0
Average Rate	\$172.18	\$128.08	\$175.74	\$190.00	\$198.40	\$199.15	\$199.15	\$205.12	\$211.28	\$217.62
Change	—	(25.6) %	37.2 %	8.1 %	4.4 %	0.4 %	0.0 %	3.0 %	3.0 %	3.0 %
RevPAR	\$121.82	\$38.15	\$78.13	\$107.53	\$118.53	\$132.26	\$134.44	\$141.49	\$147.57	\$152.00
Change	—	(68.7) %	104.8 %	37.6 %	10.2 %	11.6 %	1.6 %	5.2 %	4.3 %	3.0 %

The following occupancy and ADR levels will be used to project the subject hotel's rooms revenue. This forecast, which begins on May 1, 2025, has been fiscalized as appropriate to correspond with our financial projections.

**FIGURE 6-9 FORECAST OF OCCUPANCY, ADR, AND REVPAR**

Year	Occupancy	Average Rate	RevPAR
2025/26	70 %	\$204.11	\$142.88
2026/27	72	216.74	156.05
2027/28	72	231.03	166.34
2028/29	72	237.96	171.33

## 7. Highest and Best Use

The concept of highest and best use is a fundamental element in the determination of value of real property, either as if vacant or as improved. USPAP requires that a property's highest and best use be analyzed. Only if the current improvements do not reflect the highest and best use of the property does the highest and best use of the site "as if" vacant need to be considered.

Highest and best use is defined as follows:

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.<sup>10</sup>

### As If Vacant

The subject site is favorably located near a main arterial and is of an appropriate size to support any number of retail, mixed-use, or hospitality projects. Within the hotel sector, increases in demand and favorable ADR levels have enhanced the potential for new development; moreover, new construction is ongoing in the market. Similar trends have been exhibited within mixed-use sectors. Therefore, commercial development such as a viable hotel product or a mixed-use project on the subject site would represent the highest and best use; however, more market research would be required to make this determination.

### As Improved

The subject hotel represents a viable enterprise that generates a positive EBITDA Less Replacement Reserve. However, we note that the facility appears dated and needs refurbishment; as such, a capital deduction has been applied to our analysis, as noted previously. The upgrading of the property is an important consideration for the rate, occupancy, and other revenue forecasts in this analysis. It is our opinion that a buyer of the subject property would undertake the refurbishment project to maintain the franchise affiliation and maximize the asset's highest and best use as an operating hotel.

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<sup>10</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022).



## 8. Approaches to Value

In appraising real estate for market value, three approaches to value are considered: income capitalization, cost, and sales comparison. Basic summaries of each approach are provided as follows; please refer to the introduction of each respective chapter for additional description.

### **Income Capitalization Approach**

The income capitalization approach analyzes a property's ability to generate financial returns as an investment. The appraisal estimates a property's operating cash flow, and the result is utilized in a direct capitalization technique and a discounted cash flow (DCF) analysis. The income capitalization approach is often selected as the preferred valuation method for operating properties because it most closely reflects the investment rationale of knowledgeable buyers.

### **Sales Comparison Approach**

The sales comparison approach estimates the value of a property by comparing it to similar properties sold on the open market. To obtain a supportable estimate of value, the sales price of a comparable property must be adjusted to reflect any dissimilarity between it and the property being appraised. The sales comparison approach is most useful in the case of simple forms of real estate such as vacant land and single-family homes, where the properties are homogeneous, and the adjustments are few and relatively simple to compute. In the case of complex investments such as hotels, where the adjustments are numerous and more difficult to quantify, the sales comparison approach loses much of its reliability.

### **Cost Approach**

The cost approach estimates market value by computing the cost of replacing the property and subtracting any depreciation resulting from physical deterioration, functional obsolescence, and external (or economic) obsolescence. The value of the land, as if it were vacant and available, is then added to the depreciated value of the improvements for a total value estimate. The cost approach is most reliable for estimating the value of new properties; however, as the improvements deteriorate and as market conditions change, the resultant loss in value becomes increasingly difficult to quantify accurately. Moreover, our experience with hotel investors shows that this group of buyers and sellers relies upon the methods of the income approach when making decisions; the cost approach generally does not play a significant role in determining the purchase price. However, investors may consider the replacement cost of an asset in making their purchase and pricing decisions, as the opportunity to acquire a property for below replacement cost can enhance the appeal of a potential acquisition.

**Reconciliation**

The final step in the valuation process is the reconciliation and correlation of the value indications. Factors that are considered in assessing the reliability of each approach include the purpose of the appraisal, the nature of the subject property, and the reliability of the data used. In the reconciliation, the applicability and supportability of each approach are considered, and the range of value indications is examined. The most significant weight is given to the approach that produces the most reliable solution and most closely reflects the criteria used by typical investors.

## 9. Income Capitalization Approach

The income capitalization approach is based on the principle that the value of a property is indicated by its net return, known as the present worth of future benefits. The future benefits of income-producing properties, such as hotels, are net income before debt service and depreciation (as estimated by a forecast of income and expense) and any anticipated reversionary proceeds from a sale. These future benefits can be converted into an indication of market value through a capitalization process and discounted cash flow (DCF) analysis.

### Methodology

Using the income capitalization approach, the subject property has been valued by analyzing the local market for transient accommodations, examining existing and proposed competition, and developing a forecast of income and expense that reflects current and anticipated income trends and cost components through a stabilized year of operation.

The forecast of income and expense is expressed in current dollars for each year. The stabilized year is intended to reflect the anticipated operating results of the property over its remaining economic life given any or all applicable stages of build-up, plateau, and decline in the life cycle of the hotel. Thus, income and expense estimates from the stabilized year forward exclude from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusual revenues or expenses. The stabilized year's net income<sup>11</sup> is then extended into an eleven-year forecast of income and expense by applying the assumed underlying inflation rate to each revenue and expense item from the stabilized year forward, unless otherwise noted.

The eleven-year forecast of net income forms the basis of a ten-year, unlevered DCF analysis, where ten years of net income and the reversionary value derived from the capitalized eleventh year's net income are discounted back to the date of value and summed to derive an estimate of market value. The application of an overall discount rate to a property's cash flow inherently reflects the cost of debt and equity prevalent in the marketplace. It is called an unlevered DCF analysis because it does not explicitly consider the cost and leverage of debt financing (i.e., it is applied to cash flow before debt service and return on owner's equity). The ten-year period is used to be consistent with assumptions employed in the evaluation of other real estate asset classes and facilitates comparison of rates of return. The forecasted

<sup>11</sup> Net income is equivalent to EBITDA Less Replacement Reserves.

**Review of Operating History**

income streams reflect the future benefits of owning specific rights in income-producing real estate.

Because the subject property is an existing hotel with an established operating performance, its historical income and expense experience can serve as a basis for projections. The following income and expense statements were provided by current ownership. We have reorganized the statements in accordance with the Uniform System of Accounts for the Lodging Industry (USALI).

**FIGURE 9-1 HISTORICAL OPERATING PERFORMANCE**

	2024/25 Fiscal Year Ending March 31				2024 Calendar Year				2023 Calendar Year			
Number of Rooms:	205				205				205			
Paid Occupied Rooms:	52,527				52,287				47,352			
Days Open:	365				365				365			
Paid Occupancy:	70.2%				69.9%				63.3%			
Average Rate:	\$207.30	Percentage	Available	Amount	\$200.81	Percentage	Available	Amount	\$190.36	Percentage	Available	Amount
RevPAR:	\$145.52	of Revenue	Room	Occupied Room	\$140.32	of Revenue	Room	Occupied Room	\$120.47	of Revenue	Room	Occupied Room
<b>OPERATING REVENUE</b>												
Rooms	\$10,889	77.4 %	\$53,115	\$207.30	\$10,500	76.4 %	\$51,218	\$200.81	\$9,014	73.2 %	\$43,971	\$190.36
Food & Beverage	2,442	17.4	11,914	46.50	2,505	18.2	12,217	47.90	2,543	20.7	12,406	53.71
Other Operated Departments	98	0.7	480	1.87	94	0.7	458	1.80	94	0.8	458	1.98
Garage/Parking	608	4.3	2,964	11.57	610	4.4	2,975	11.66	608	4.9	2,966	12.84
Miscellaneous Income	33	0.2	163	0.64	27	0.2	129	0.51	47	0.4	231	1.00
Total Operating Revenue	14,070	100.0	68,636	267.87	13,735	100.0	66,998	262.68	12,307	100.0	60,032	259.90
<b>DEPARTMENTAL EXPENSES*</b>												
Rooms	2,398	22.0	11,699	45.66	2,404	22.9	11,728	45.98	2,149	23.8	10,481	45.38
Food & Beverage	2,294	93.9	11,190	43.67	2,291	91.5	11,174	43.81	2,283	89.8	11,139	48.22
Other Operated Departments	79	80.7	388	1.51	71	75.1	344	1.35	75	79.6	364	1.58
Garage/Parking	402	66.2	1,962	7.66	411	67.4	2,004	7.86	381	62.6	1,858	8.04
Total	5,174	36.8	25,239	98.50	5,176	37.7	25,251	99.00	4,888	39.7	23,842	103.22
<b>DEPARTMENTAL INCOME</b>	8,897	63.2	43,398	169.37	8,558	62.3	41,747	163.68	7,419	60.3	36,191	156.68
<b>UNDISTRIBUTED OPERATING EXPENSES</b>												
Administrative & General	1,121	8.0	5,471	21.35	1,173	8.5	5,721	22.43	978	7.9	4,771	20.66
Info. and Telecom. Systems	145	1.0	708	2.76	128	0.9	626	2.45	131	1.1	638	2.76
Marketing	1,160	8.2	5,657	22.08	1,174	8.5	5,725	22.45	1,108	9.0	5,406	23.41
Franchise Fee	837	5.9	4,083	15.93	811	5.9	3,957	15.52	711	5.8	3,466	15.01
Prop. Operations & Maintenance	577	4.1	2,813	10.98	535	3.9	2,612	10.24	623	5.1	3,041	13.16
Utilities	470	3.3	2,292	8.95	457	3.3	2,230	8.74	501	4.1	2,446	10.59
Total	4,310	30.6	21,023	82.05	4,278	31.2	20,870	81.83	4,052	32.9	19,768	85.58
<b>GROSS OPERATING PROFIT</b>	4,587	32.6	22,375	87.32	4,280	31.2	20,877	81.85	3,367	27.4	16,423	71.10
Management Fee	492	3.5	2,402	9.38	481	3.5	2,345	9.19	431	3.5	2,101	9.10
<b>INCOME BEFORE NON-OPER. INC. &amp; EXP.</b>	4,094	29.1	19,972	77.95	3,799	27.7	18,532	72.66	2,936	23.9	14,322	62.00
<b>NON-OPERATING INCOME AND EXPENSE</b>												
Property Taxes	835	5.9	4,071	15.89	853	6.2	4,163	16.32	877	7.1	4,279	18.53
Insurance	186	1.3	906	3.54	179	1.3	876	3.43	154	1.3	751	3.25
Total	1,020	7.3	4,978	19.43	1,033	7.5	5,038	19.75	1,031	8.4	5,030	21.78
<b>EBITDA</b>	3,074	21.8	14,995	58.52	2,766	20.1	13,494	52.90	1,905	15.5	9,291	40.22
Reserve for Replacement	(40)	(0.3)	(195)	(0.76)	76	0.6	369	1.45	574	4.7	2,800	12.12
<b>EBITDA LESS RESERVE</b>	\$3,114	22.1 %	\$15,190	\$59.29	\$2,691	19.6 %	\$13,125	\$51.46	\$1,331	10.8 %	\$6,492	\$28.10
NOI adjusted to reflect a												
5.0% reserve	\$2,370	16.8 %			\$2,079	15.1 %			\$1,289	10.5 %		

\*Departmental expenses are expressed as a percentage of departmental revenues.



## FIGURE 9-2 HISTORICAL OPERATING PERFORMANCE (CONTINUED)

	2022 Calendar Year				2021 Partial Year				2020 Partial Year				2019 Calendar Year			
Number of Rooms:	205				205				205				205			
Paid Occupied Rooms:	41,378				12,973				9,165				57,800			
Days Open:	365				152				69				365			
Paid Occupancy:	55.3%				41.6%				64.8%				77.2%			
Average Rate:	\$181.49	Percentage	Available	Amount	\$204.51	Percentage	Available	Amount	\$177.59	Percentage	Available	Amount	\$191.75	Percentage	Available	Amount
RevPAR:	\$100.36	of Revenue	Room	Occupied	\$85.15	of Revenue	Room	Occupied	\$115.07	of Revenue	Room	Occupied	\$148.12	of Revenue	Room	Occupied
<b>OPERATING REVENUE</b>																
Rooms	\$7,509	73.9 %	\$36,632	\$181.49	\$2,653	81.4 %	\$12,942	\$204.51	\$1,628	66.9 %	\$7,940	\$177.59	\$11,083	70.8 %	\$54,065	\$191.75
Food & Beverage	1,983	19.5	9,671	47.92	331	10.2	1,616	25.54	620	25.5	3,026	67.68	3,795	24.2	18,513	65.66
Other Operated Departments	84	0.8	408	2.02	36	1.1	173	2.74	185	7.6	905	20.24	131	0.8	638	2.26
Garage/Parking	524	5.2	2,555	12.66	164	5.0	799	12.62	0	0.0	0	0.00	644	4.1	3,139	11.13
Miscellaneous Income	58	0.6	284	1.40	76	2.3	368	5.82	1	0.1	6	0.14	0	0.0	0	0.00
Total Operating Revenue	10,158	100.0	49,550	245.48	3,259	100.0	15,899	251.23	2,435	100.0	11,876	265.64	15,653	100.0	76,356	270.81
<b>DEPARTMENTAL EXPENSES*</b>																
Rooms	1,760	23.4	8,587	42.54	607	22.9	2,961	46.79	527	32.4	2,573	57.55	1,978	17.8	9,648	34.22
Food & Beverage	1,916	96.7	9,349	46.32	317	95.6	1,546	24.43	710	114.4	3,462	77.43	2,801	73.8	13,665	48.47
Other Operated Departments	56	66.7	272	1.35	18	49.9	86	1.37	87	47.0	426	9.52	0	0.0	0	0.00
Garage/Parking	380	72.6	1,855	9.19	103	63.2	505	7.98	0	0.0	0	0.00	441	68.5	2,150	7.63
Total	4,113	40.5	20,064	99.40	1,045	32.1	5,098	80.56	1,324	54.4	6,460	144.49	5,220	33.3	25,464	90.31
<b>DEPARTMENTAL INCOME</b>	6,045	59.5	29,486	146.08	2,214	67.9	10,801	170.68	1,110	45.6	5,416	121.15	10,433	66.7	50,893	180.50
<b>UNDISTRIBUTED OPERATING EXPENSES</b>																
Administrative & General	763	7.5	3,723	18.44	334	10.2	1,628	25.72	376	15.4	1,834	41.01	1,239	7.9	6,044	21.43
Info. and Telecom. Systems	103	1.0	501	2.48	84	2.6	408	6.45	103	4.2	501	11.21	127	0.8	619	2.20
Marketing	846	8.3	4,128	20.45	346	10.6	1,686	26.65	515	21.2	2,513	56.20	1,595	10.2	7,778	27.59
Franchise Fee	587	5.8	2,862	14.18	201	6.2	979	15.48	133	5.4	647	14.46	817	5.2	3,983	14.13
Prop. Operations & Maintenance	487	4.8	2,378	11.78	159	4.9	777	12.28	170	7.0	830	18.56	402	2.6	1,960	6.95
Utilities	442	4.3	2,155	10.67	202	6.2	986	15.58	211	8.7	1,031	23.05	405	2.6	1,976	7.01
Total	3,228	31.8	15,747	78.02	1,325	40.7	6,465	102.15	1,508	61.9	7,354	164.50	4,584	29.3	22,361	79.31
<b>GROSS OPERATING PROFIT</b>	2,816	27.7	13,739	68.07	889	27.3	4,336	68.52	(397)	(16.3)	(1,938)	(43.35)	5,849	37.4	28,532	101.19
Management Fee	356	3.5	1,734	8.59	114	3.5	556	8.79	85	3.5	416	9.30	548	3.5	2,674	9.49
<b>INCOME BEFORE NON-OPER. INC. &amp; EXP.</b>	2,461	24.2	12,005	59.48	775	23.8	3,780	59.73	(483)	(19.8)	(2,354)	(52.65)	5,301	33.9	25,857	91.71
<b>NON-OPERATING INCOME AND EXPENSE</b>																
Property Taxes	891	8.8	4,345	21.52	839	25.8	4,094	64.69	1,131	46.5	5,517	123.40	1,139	7.3	5,555	19.70
Insurance	141	1.4	689	3.41	98	3.0	477	7.54	96	3.9	467	10.44	106	0.7	517	1.83
Total	1,032	10.2	5,034	24.94	937	28.8	4,571	72.23	1,227	50.4	5,984	133.84	1,245	8.0	6,072	21.54
<b>EBITDA</b>	1,429	14.1	6,971	34.54	(162)	(5.0)	(791)	(12.50)	(1,709)	(70.2)	(8,337)	(186.49)	4,056	25.9	19,786	70.17
Reserve for Replacement	406	4.0	1,982	9.82	130	4.0	636	10.05	97	4.0	475	10.63	0	0.0	0	0.00
<b>EBITDA LESS RESERVE</b>	\$1,023	10.1 %	\$4,990	\$24.72	(\$293)	(9.0) %	(\$1,427)	(\$22.55)	(\$1,807)	(74.2) %	(\$8,813)	(\$197.12)	\$4,056	25.9 %	\$19,785	\$70.17
NOI adjusted to reflect a																
5.0% reserve	\$921	9.1 %			(\$325)	(10.0) %			(\$1,831)	(75.2) %			\$3,274	20.9 %		

\*Departmental expenses are expressed as a percentage of departmental revenues.

**FIGURE 9-3 HISTORICAL OPERATING PERFORMANCE (CONTINUED)**

	2025 Year-to-Date Ending March 31				2024 Year-to-Date Ending March 31			
Number of Rooms:	205				205			
Paid Occupied Rooms:	10,985				10,745			
Days Open:	90				90			
Paid Occupancy:	59.5%				58.2%			
Average Rate:	\$178.51	Percentage	Available	Amount	\$146.29	Percentage	Available	Amount
RevPAR:	\$106.28	of Revenue	Room	Occupied Room	\$85.20	of Revenue	Room	Occupied Room
<b>OPERATING REVENUE</b>								
Rooms	\$1,961	74.0 %	\$9,566	\$178.51	\$1,572	68.0 %	\$7,668	\$146.29
Food & Beverage	534	20.2	2,607	48.64	597	25.8	2,910	55.52
Other Operated Departments	21	0.8	101	1.88	16	0.7	79	1.51
Garage/Parking	127	4.8	621	11.59	130	5.6	632	12.06
Miscellaneous Income	5	0.2	24	0.45	(2)	(0.1)	(9)	(0.17)
Total Operating Revenue	2,648	100.0	12,918	241.08	2,312	100.0	11,280	215.21
<b>DEPARTMENTAL EXPENSES*</b>								
Rooms	529	27.0	2,581	48.17	535	34.0	2,610	49.80
Food & Beverage	563	105.3	2,745	51.22	559	93.8	2,729	52.06
Other Operated Departments	27	129.9	131	2.45	18	111.4	88	1.68
Garage/Parking	80	62.5	388	7.25	88	68.1	431	8.21
Total	1,198	45.2	5,845	109.08	1,201	51.9	5,857	111.75
<b>DEPARTMENTAL INCOME</b>	1,450	54.8	7,074	132.01	1,112	48.1	5,423	103.45
<b>UNDISTRIBUTED OPERATING EXPENSES</b>								
Administrative & General	203	7.7	992	18.52	255	11.0	1,242	23.70
Info. and Telecom. Systems	47	1.8	228	4.25	30	1.3	145	2.77
Marketing	246	9.3	1,202	22.44	260	11.3	1,271	24.24
Franchise Fee	154	5.8	749	13.97	128	5.5	623	11.89
Prop. Operations & Maintenance	157	5.9	766	14.30	116	5.0	565	10.78
Utilities	138	5.2	671	12.52	125	5.4	609	11.62
Total	945	35.7	4,608	86.00	913	39.5	4,455	85.00
<b>GROSS OPERATING PROFIT</b>	505	19.1	2,466	46.00	198	8.6	968	18.45
Management Fee	93	3.5	452	8.44	81	3.5	395	7.53
<b>INCOME BEFORE NON-OPER. INC. &amp; EXP.</b>	413	15.6	2,013	37.56	117	5.1	572	10.92
<b>NON-OPERATING INCOME AND EXPENSE</b>								
Property Taxes	219	8.3	1,067	19.92	237	10.3	1,158	22.10
Insurance	46	1.8	227	4.23	40	1.7	196	3.74
Total	265	10.0	1,294	24.15	278	12.0	1,354	25.84
<b>EBITDA</b>	147	5.6	719	13.42	(160)	(6.9)	(782)	(14.92)
Reserve for Replacement	0	0.0	0	0.00	116	5.0	564	10.76
<b>EBITDA LESS RESERVE</b>	\$147	5.6 %	\$719	\$13.41	(\$276)	(11.9) %	(\$1,346)	(\$25.68)

NOI adjusted to reflect a

5.0% reserve \$15 0.6 % (\$276) (11.9) %

\*Departmental expenses are expressed as a percentage of departmental revenues.

**FIGURE 9-4 HISTORICAL TOTAL REVENUE, HOUSE PROFIT, AND EBITDA LESS REPLACEMENT RESERVE SUMMARY**

		Total Revenue		Gross Operating Profit			EBITDA Less Replacement Reserve		
		Total	% Change	Total	% Change	As a % of Total Rev.	Total	% Change	As a % of Total Rev.
<b>Historical</b>	2019	\$15,653,000	—	\$5,849,000	—	37.4 %	\$3,274,000	—	20.9 %
	<i>partial</i> 2020	2,435,000	(84.4) %	(397,000)	(106.8) %	(16.3)	(1,831,000)	(155.9) %	(75.2)
	<i>partial</i> 2021	3,259,000	33.8	889,000	323.9	27.3	(325,000)	82.3	(10.0)
	2022	10,158,000	211.7	2,816,000	216.8	27.7	921,000	383.4	9.1
	2023	12,307,000	21.2	3,367,000	19.6	27.4	1,289,000	40.0	10.5
	2024	13,735,000	11.6	4,280,000	27.1	31.2	2,079,000	61.3	15.1
	<i>Fiscal Year Ending March 31</i> 2024/25	14,070,000	2.4	4,587,000	7.2	32.6	2,370,000	14.0	16.8

In our review of the historical statements, revenues increased modestly from 2022 to the trailing twelve months ending March 2025; however, both revenues and the subject hotel's EBITDA Less Replacement Reserve still remain below the 2019 level. The 2020 and 2021 statements represent partial-year data, as the hotel was reportedly closed between March 11, 2020 and August 1, 2021.

#### Comparable Operating Statements

In order to gauge the subject hotel's profitability, we have reviewed the following individual income and expense statements from comparable hotels, derived from our database of hotel income and expense statements. All financial data are presented according to the three most common measures of industry performance: ratio to sales (RTS), amounts per available room (PAR), and amounts per occupied room night (POR). These historical income and expense statements will be used as benchmarks in our forthcoming forecast of income and expense. The subject hotel's 2024/25 operating history has been included to facilitate a comparison. The subject hotel's stabilized statement of income and expense, deflated to 2024/25 dollars, is also presented.

**FIGURE 9-5 COMPARABLE OPERATING STATEMENTS: RATIO TO SALES**

	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
	2024/25						Def. Stabilized
Number of Rooms:	205	220 to 280	200 to 260	130 to 170	170 to 220	160 to 200	205
Days Open:	365	365	365	365	365	365	365
Occupancy:	70.2%	72%	72%	73%	69%	72%	72%
Average Rate:	\$207.30	\$224	\$208	\$206	\$223	\$194	\$218
RevPAR:	\$145.52	\$162	\$150	\$149	\$154	\$140	\$157
<b>REVENUE</b>							
Rooms	77.4 %	75.7 %	70.2 %	74.4 %	74.3 %	76.7 %	73.3 %
Food & Beverage	17.4	22.8	26.0	22.0	21.3	17.5	21.8
Other Operated Departments	5.0	1.5	3.5	3.1	4.0	1.2	4.6
Miscellaneous Income	0.2	0.0	0.4	0.4	0.4	4.6	0.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>DEPARTMENTAL EXPENSES*</b>							
Rooms	22.0	18.0	19.2	22.6	20.1	18.4	20.8
Food & Beverage	93.9	71.1	62.1	72.4	77.6	63.9	74.1
Other Operated Departments	68.2	1.4	11.0	63.3	67.6	47.0	66.0
Total	36.8	29.9	30.0	34.8	34.1	25.9	34.5
<b>DEPARTMENTAL INCOME</b>	63.2	70.1	70.0	65.2	65.9	74.1	65.5
<b>UNDISTRIBUTED OPERATING EXPENSES</b>							
Administrative & General	8.0	6.6	5.3	9.1	9.3	7.6	7.0
Info. and Telecom. Systems	1.0	0.6	0.8	0.7	0.7	2.2	0.9
Marketing	8.2	7.9	6.7	9.3	7.5	6.8	7.6
Franchise Fee	5.9	5.8	5.9	2.8	6.0	7.8	5.8
Property Operations & Maintenance	4.1	4.1	3.1	2.8	4.3	3.5	3.5
Utilities	3.3	3.5	2.0	1.5	2.5	3.2	3.1
Total	30.6	28.6	23.8	26.3	30.4	31.2	27.9
<b>GROSS OPERATING PROFIT</b>	32.6	41.5	46.2	38.9	35.5	42.9	37.6
Management Fee	3.5	4.0	2.4	3.0	3.0	2.2	3.5
<b>INCOME BEFORE NON-OPER. INC. &amp; EXP.</b>	29.1	37.6	43.9	36.0	32.5	40.7	34.1

\* Departmental expense ratios are expressed as a percentage of departmental revenues

**FIGURE 9-6 COMPARABLE OPERATING STATEMENTS: AMOUNTS PER AVAILABLE ROOM**

	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
	2024/25						Def. Stabilized \$
Number of Rooms:	205	220 to 280	200 to 260	130 to 170	170 to 220	160 to 200	205
Days Open:	365	365	365	365	365	365	365
Occupancy:	70.2%	72%	72%	73%	69%	72%	72%
Average Rate:	\$207.30	\$224	\$208	\$206	\$223	\$194	\$218
RevPAR:	\$145.52	\$162	\$150	\$149	\$154	\$140	\$157
<b>REVENUE</b>							
Rooms	\$53,115	\$58,974	\$54,813	\$54,536	\$56,365	\$51,246	\$57,229
Food & Beverage	11,914	17,789	20,287	16,120	16,121	11,701	17,038
Other Operated Departments	3,444	1,166	2,708	2,307	3,032	803	3,599
Miscellaneous Income	163	0	299	295	310	3,051	196
Total	68,636	77,930	78,108	73,258	75,828	66,800	78,062
<b>DEPARTMENTAL EXPENSES</b>							
Rooms	11,699	10,627	10,504	12,334	11,315	9,435	11,927
Food & Beverage	11,190	12,647	12,603	11,667	12,507	7,480	12,626
Other Operated Departments	2,349	16	298	1,459	2,050	377	2,374
Total	25,239	23,291	23,405	25,460	25,872	17,293	26,926
<b>DEPARTMENTAL INCOME</b>	43,398	54,639	54,703	47,797	49,956	49,508	51,135
<b>UNDISTRIBUTED OPERATING EXPENSES</b>							
Administrative & General	5,471	5,178	4,170	6,647	7,082	5,107	5,492
Info. and Telecom. Systems	708	477	651	545	535	1,464	738
Marketing	5,657	6,162	5,195	6,800	5,719	4,541	5,894
Franchise Fee	4,083	4,510	4,639	2,082	4,547	5,225	4,517
Property Operations & Maintenance	2,813	3,223	2,392	2,054	3,281	2,370	2,723
Utilities	2,292	2,707	1,541	1,108	1,859	2,159	2,388
Total	21,023	22,256	18,589	19,235	23,022	20,865	21,752
<b>GROSS OPERATING PROFIT</b>	22,375	32,383	36,114	28,562	26,934	28,643	29,384
Management Fee	2,402	3,117	1,855	2,177	2,285	1,485	2,732
<b>INCOME BEFORE NON-OPER. INC. &amp; EXP.</b>	19,972	29,266	34,259	26,385	24,649	27,157	26,651

**FIGURE 9-7 COMPARABLE OPERATING STATEMENTS: AMOUNTS PER OCCUPIED ROOM**

	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Subject
	2024/25						Def. Stabilized \$
Number of Rooms:	205	220 to 280	200 to 260	130 to 170	170 to 220	160 to 200	205
Days Open:	365	365	365	365	365	365	365
Occupancy:	70.2%	72%	72%	73%	69%	72%	72%
Average Rate:	\$207.30	\$224	\$208	\$206	\$223	\$194	\$218
RevPAR:	\$145.52	\$162	\$150	\$149	\$154	\$140	\$157
<b>REVENUE</b>							
Rooms	\$207.30	\$224.16	\$208.48	\$205.81	\$222.62	\$194.17	\$217.76
Food & Beverage	46.50	67.62	77.16	60.83	63.67	44.33	64.83
Other Operated Departments	13.44	4.43	10.30	8.70	11.97	3.04	13.70
Miscellaneous Income	0.64	0.00	1.14	1.11	1.23	11.56	0.75
Total	267.87	296.22	297.09	276.46	299.50	253.11	297.04
<b>DEPARTMENTAL EXPENSES</b>							
Rooms	45.66	40.39	39.95	46.55	44.69	35.75	45.38
Food & Beverage	43.67	48.07	47.94	44.03	49.40	28.34	48.04
Other Operated Departments	9.17	0.06	1.13	5.51	8.10	1.43	9.03
Total	98.50	88.53	89.02	96.08	102.19	65.52	102.46
<b>DEPARTMENTAL INCOME</b>	169.37	207.69	208.06	180.38	197.31	187.58	194.58
<b>UNDISTRIBUTED OPERATING EXPENSES</b>							
Administrative & General	21.35	19.68	15.86	25.08	27.97	19.35	20.90
Info. and Telecom. Systems	2.76	1.81	2.48	2.06	2.11	5.55	2.81
Marketing	22.08	23.42	19.76	25.66	22.59	17.21	22.43
Franchise Fee	15.93	17.14	17.64	7.86	17.96	19.80	17.19
Property Operations & Maintenance	10.98	12.25	9.10	7.75	12.96	8.98	10.36
Utilities	8.95	10.29	5.86	4.18	7.34	8.18	9.09
Total	82.05	84.60	70.70	72.59	90.93	79.06	82.77
<b>GROSS OPERATING PROFIT</b>	87.32	123.09	137.36	107.79	106.38	108.53	111.81
Management Fee	9.38	11.85	7.06	8.22	9.03	5.63	10.40
<b>INCOME BEFORE NON-OPER. INC. &amp; EXP.</b>	77.95	111.24	130.31	99.57	97.35	102.90	101.41

The departmental income for the comparable statements ranged from 65.2% to 74.1% of total revenue. The 2024/25 departmental income ratio of 63.2% for the subject property falls below this range, indicating room for improvement. The comparable properties achieved a gross operating profit ranging from 35.5% to 46.2% of total revenue. The 2024/25 gross operating profit percentage of 32.6% of total revenue for the subject property falls below this range, indicating room for improvement. We will refer to the comparable operating data in our discussion of each line item, which follows later in this section of the report.

#### Fixed and Variable Component Analysis

HVS uses a fixed and variable component model to project a lodging facility's revenue and expense levels. This model is based on the premise that hotel revenues and expenses have one component that is fixed and another that varies directly with



occupancy and facility usage. A projection can be made by taking a known level of revenue or expense and calculating its fixed and variable components. The fixed component is then increased in tandem with the underlying rate of inflation, while the variable component is adjusted for a specific measure of volume such as total revenue.

The actual forecast is derived by adjusting each year's revenue and expense by the amount fixed (the fixed expense multiplied by the inflated base-year amount) plus the variable amount (the variable expense multiplied by the inflated base-year amount) multiplied by the ratio of the projection year's occupancy to the base-year occupancy (in the case of departmental revenue and expense) or the ratio of the projection year's revenue to the base year's revenue (in the case of undistributed operating expenses). Fixed expenses remain fixed, increasing only with inflation. Our discussion of the revenue and expense forecast in this report is based upon the output derived from the fixed and variable model. This forecast of revenue and expense is accomplished through a systematic approach per the USALI. Each category of revenue and expense is estimated separately and combined at the end in the final statement of income and expense.

#### **Inflation and Appreciation Assumptions**

In consideration of the trends in the Consumer Price Index (CPI), inflation factors that directly influence lodging properties, projections set forth by economists surveyed, and the Federal Reserve's target inflation rate, we have applied a 3.0% underlying inflation rate in our analysis.

This annual rate of growth is applied to income and expenses after the stabilized year to reflect the longer-term expectation of asset appreciation by typical investors. This position is based on interviews with numerous market participants indicating a distinction in the expectations of near-term cost inflation (e.g., related to labor and supplies) versus long-term income growth that drives appreciation. Any exceptions to the application of the assumed underlying inflation and EBITDA Less Replacement Reserve growth rates are discussed in our write-ups of individual income and expense items.

#### **Forecast of Revenue and Expense**

Based on an analysis that will be detailed throughout this section, we have formulated a revenue-and-expense forecast for the first several projection years, including amounts per available room and per occupied room, as illustrated in the following table. The second table illustrates our ten-year forecast of income and expense, presented with a lesser degree of detail. The forecasts pertain to years that begin on May 1, 2025, expressed in inflated dollars for each year.

**FIGURE 9-8 FORECAST OF REVENUE AND EXPENSE AND TRAILING-12-MONTH OPERATING HISTORY**

	Historical Operating Results				2025/26				2026/27				Stabilized				2028/29			
	2024/25	Fiscal Year																		
Number of Rooms:	205				205				205				205				205			
Occupancy (Paid Rooms):	70%				70%				72%				72%				72%			
Average Rate:	\$207.30				\$204.11				\$216.74				\$231.03				\$237.96			
RevPAR:	\$145.52				\$142.88				\$156.05				\$166.34				\$171.33			
Days Open:	365				365				365				365				365			
Occupied Rooms (Paid):	52,527	%Gross	PAR	POR	52,378	%Gross	PAR	POR	53,874	%Gross	PAR	POR	53,874	%Gross	PAR	POR	53,874	%Gross	PAR	POR
<b>OPERATING REVENUE</b>																				
Rooms	\$10,889	77.4 %	\$53,115	\$207.30	\$10,691	75.9 %	\$52,150	\$204.11	\$11,677	74.4 %	\$56,959	\$216.74	\$12,446	73.3 %	\$60,714	\$231.03	\$12,820	73.3 %	\$62,535	\$237.96
Food & Beverage	2,442	17.4	11,914	46.50	2,629	18.7	12,823	50.19	3,222	20.5	15,718	59.81	3,705	21.8	18,075	68.78	3,817	21.8	18,617	70.84
Other Operated Departments	98	0.7	480	1.87	102	0.7	496	1.94	106	0.7	515	1.96	109	0.6	530	2.02	112	0.6	546	2.08
Garage/Parking	608	4.3	2,964	11.57	626	4.4	3,056	11.96	654	4.2	3,192	12.15	674	4.0	3,288	12.51	694	4.0	3,387	12.89
Miscellaneous Income	33	0.2	163	0.64	40	0.3	195	0.76	41	0.3	202	0.77	43	0.3	208	0.79	44	0.3	214	0.82
Total Operating Revenues	14,070	100.0	68,636	267.87	14,087	100.0	68,719	268.96	15,700	100.0	76,586	291.42	16,977	100.0	82,816	315.13	17,487	100.0	85,300	324.58
<b>DEPARTMENTAL EXPENSES *</b>																				
Rooms	2,398	22.0	11,699	45.66	2,369	22.2	11,557	45.23	2,518	21.6	12,285	46.75	2,594	20.8	12,653	48.15	2,672	20.8	13,033	49.59
Food & Beverage	2,294	93.9	11,190	43.67	2,281	86.8	11,125	43.54	2,565	79.6	12,510	47.60	2,746	74.1	13,394	50.97	2,828	74.1	13,796	52.50
Other Operated Departments	79	80.7	388	1.51	82	80.7	400	1.57	85	80.3	413	1.57	87	80.3	426	1.62	90	80.3	438	1.67
Garage/Parking	402	66.2	1,962	7.66	407	64.9	1,984	7.76	417	63.6	2,032	7.73	429	63.6	2,093	7.96	442	63.6	2,156	8.20
Total	5,174	36.8	25,239	98.50	5,138	36.5	25,065	98.10	5,584	35.6	27,240	103.65	5,856	34.5	28,566	108.70	6,032	34.5	29,423	111.96
DEPARTMENTAL INCOME	8,897	63.2	43,398	169.37	8,949	63.5	43,654	170.86	10,116	64.4	49,347	187.77	11,121	65.5	54,249	206.43	11,455	65.5	55,877	212.62
<b>UNDISTRIBUTED OPERATING EXPENSES</b>																				
Administrative & General	1,121	8.0	5,471	21.35	1,105	7.8	5,390	21.10	1,152	7.3	5,620	21.39	1,194	7.0	5,826	22.17	1,230	7.0	6,001	22.83
Info. and Telecom. Systems	145	1.0	708	2.76	148	1.1	724	2.83	155	1.0	755	2.87	160	0.9	783	2.98	165	0.9	806	3.07
Marketing	1,160	8.2	5,657	22.08	1,186	8.4	5,785	22.64	1,237	7.9	6,032	22.95	1,282	7.6	6,253	23.79	1,320	7.6	6,441	24.51
Franchise Fee	837	5.9	4,083	15.93	827	5.9	4,035	15.79	914	5.8	4,459	16.97	982	5.8	4,792	18.24	1,012	5.8	4,936	18.78
Prop. Operations & Maintenance	577	4.1	2,813	10.98	548	3.9	2,672	10.46	571	3.6	2,786	10.60	592	3.5	2,888	10.99	610	3.5	2,975	11.32
Utilities	470	3.3	2,292	8.95	481	3.4	2,344	9.17	501	3.2	2,444	9.30	519	3.1	2,534	9.64	535	3.1	2,610	9.93
Total	4,310	30.6	21,023	82.05	4,295	30.5	20,951	82.00	4,530	28.8	22,097	84.08	4,731	27.9	23,076	87.81	4,873	27.9	23,769	90.44
GROSS OPERATING PROFIT	4,587	32.6	22,375	87.32	4,654	33.0	22,703	88.86	5,586	35.6	27,250	103.69	6,390	37.6	31,173	118.62	6,582	37.6	32,108	122.18
Management Fee	492	3.5	2,402	9.38	493	3.5	2,405	9.41	550	3.5	2,681	10.20	594	3.5	2,899	11.03	612	3.5	2,986	11.36
INCOME BEFORE NON-OPER. INC. & EXP.	4,094	29.1	19,972	77.95	4,161	29.5	20,298	79.44	5,037	32.1	24,569	93.49	5,796	34.1	28,275	107.59	5,970	34.1	29,123	110.82
<b>NON-OPERATING INCOME AND EXPENSE</b>																				
Property Taxes	835	5.9	4,071	15.89	900	6.4	4,389	17.18	921	5.9	4,491	17.09	951	5.6	4,637	17.64	977	5.6	4,768	18.14
Insurance	186	1.3	906	3.54	199	1.4	972	3.81	205	1.3	1,001	3.81	211	1.2	1,031	3.92	218	1.2	1,062	4.04
Total	1,020	7.3	4,978	19.43	1,099	7.8	5,361	20.98	1,126	7.2	5,492	20.90	1,162	6.8	5,668	21.57	1,195	6.8	5,830	22.19
EBITDA	3,074	21.8	14,995	58.52	3,062	21.7	14,936	58.46	3,911	24.9	19,077	72.59	4,634	27.3	22,606	86.02	4,775	27.3	23,292	88.63
Reserve for Replacement	(40)	(0.3)	(195)	(0.76)	704	5.0	3,436	13.45	785	5.0	3,829	14.57	849	5.0	4,141	15.76	874	5.0	4,265	16.23
EBITDA LESS RESERVE	\$3,114	22.1 %	\$15,190	\$59.28	\$2,358	16.7 %	\$11,500	\$45.01	\$3,126	19.9 %	\$15,248	\$58.02	\$3,785	22.3 %	\$18,465	\$70.26	\$3,901	22.3 %	\$19,027	\$72.40
*Departmental expenses are expressed as a percentage of departmental revenues.																				
NOI adjusted to reflect a																				
5.0% reserve	\$2,370	16.8 %																		

**FIGURE 9-9 TEN-YEAR FORECAST OF REVENUE AND EXPENSE**

	2025/26		2026/27		2027/28		2028/29		2029/30		2030/31		2031/32		2032/33		2033/34		2034/35	
<b>Number of Rooms:</b>	205		205		205		205		205		205		205		205		205		205	
<b>Occupied Rooms:</b>	52,378		53,874		53,874		53,874		53,874		53,874		53,874		53,874		53,874		53,874	
<b>Occupancy:</b>	70%		72%		72%		72%		72%		72%		72%		72%		72%		72%	
<b>Average Rate:</b>	\$204.11	% of	\$216.74	% of	\$231.03	% of	\$237.96	% of	\$245.10	% of	\$252.45	% of	\$260.02	% of	\$267.82	% of	\$275.86	% of	\$284.13	% of
<b>RevPAR:</b>	\$142.88	Gross	\$156.05	Gross	\$166.34	Gross	\$171.33	Gross	\$176.47	Gross	\$181.76	Gross	\$187.22	Gross	\$192.83	Gross	\$198.62	Gross	\$204.58	Gross
<b>OPERATING REVENUE</b>																				
Rooms	\$10,691	75.9 %	\$11,677	74.4 %	\$12,446	73.3 %	\$12,820	73.3 %	\$13,204	73.3 %	\$13,600	73.3 %	\$14,008	73.3 %	\$14,429	73.3 %	\$14,862	73.3 %	\$15,307	73.3 %
Food & Beverage	2,629	18.7	3,222	20.5	3,705	21.8	3,817	21.8	3,931	21.8	4,049	21.8	4,170	21.8	4,296	21.8	4,424	21.8	4,557	21.8
Other Operated Departments	102	0.7	106	0.7	109	0.6	112	0.6	115	0.6	119	0.6	122	0.6	126	0.6	130	0.6	134	0.6
Garage/Parking	626	4.4	654	4.2	674	4.0	694	4.0	715	4.0	737	4.0	759	4.0	781	4.0	805	4.0	829	4.0
Miscellaneous Income	40	0.3	41	0.3	43	0.3	44	0.3	45	0.3	47	0.3	48	0.3	49	0.3	51	0.3	52	0.3
Total Operating Revenue	14,087	100.0	15,700	100.0	16,977	100.0	17,487	100.0	18,011	100.0	18,551	100.0	19,108	100.0	19,681	100.0	20,272	100.0	20,880	100.0
<b>DEPARTMENTAL EXPENSES*</b>																				
Rooms	2,369	22.2	2,518	21.6	2,594	20.8	2,672	20.8	2,752	20.8	2,834	20.8	2,919	20.8	3,007	20.8	3,097	20.8	3,190	20.8
Food & Beverage	2,281	86.8	2,565	79.6	2,746	74.1	2,828	74.1	2,913	74.1	3,000	74.1	3,091	74.1	3,183	74.1	3,279	74.1	3,377	74.1
Other Operated Departments	82	80.7	85	80.3	87	80.3	90	80.3	93	80.3	95	80.3	98	80.3	101	80.3	104	80.3	107	80.3
Garage/Parking	407	64.9	417	63.6	429	63.6	442	63.6	455	63.6	469	63.6	483	63.6	497	63.6	512	63.6	528	63.6
Total	5,138	36.5	5,584	35.6	5,856	34.5	6,032	34.5	6,213	34.5	6,399	34.5	6,591	34.5	6,789	34.5	6,992	34.5	7,202	34.5
<b>DEPARTMENTAL INCOME</b>	8,949	63.5	10,116	64.4	11,121	65.5	11,455	65.5	11,798	65.5	12,152	65.5	12,517	65.5	12,892	65.5	13,279	65.5	13,678	65.5
<b>UNDISTRIBUTED OPERATING EXPENSES</b>																				
Administrative & General	1,105	7.8	1,152	7.3	1,194	7.0	1,230	7.0	1,267	7.0	1,305	7.0	1,344	7.0	1,385	7.0	1,426	7.0	1,469	7.0
Info. and Telecom. Systems	148	1.1	155	1.0	160	0.9	165	0.9	170	0.9	175	0.9	181	0.9	186	0.9	192	0.9	197	0.9
Marketing	1,186	8.4	1,237	7.9	1,282	7.6	1,320	7.6	1,360	7.6	1,401	7.6	1,443	7.6	1,486	7.6	1,531	7.6	1,577	7.6
Franchise Fee	827	5.9	914	5.8	982	5.8	1,012	5.8	1,042	5.8	1,074	5.8	1,106	5.8	1,139	5.8	1,173	5.8	1,208	5.8
Prop. Operations & Maintenance	548	3.9	571	3.6	592	3.5	610	3.5	628	3.5	647	3.5	666	3.5	686	3.5	707	3.5	728	3.5
Utilities	481	3.4	501	3.2	519	3.1	535	3.1	551	3.1	568	3.1	585	3.1	602	3.1	620	3.1	639	3.1
Total	4,295	30.5	4,530	28.8	4,731	27.9	4,873	27.9	5,019	27.9	5,169	27.9	5,324	27.9	5,484	27.9	5,649	27.9	5,818	27.9
<b>GROSS OPERATING PROFIT</b>	4,654	33.0	5,586	35.6	6,390	37.6	6,582	37.6	6,780	37.6	6,983	37.6	7,193	37.6	7,408	37.6	7,631	37.6	7,859	37.6
Management Fee	493	3.5	550	3.5	594	3.5	612	3.5	630	3.5	649	3.5	669	3.5	689	3.5	710	3.5	731	3.5
<b>INCOME BEFORE NON-OPER. INC. &amp; EXP.</b>	4,161	29.5	5,037	32.1	5,796	34.1	5,970	34.1	6,149	34.1	6,334	34.1	6,524	34.1	6,719	34.1	6,921	34.1	7,129	34.1
<b>NON-OPERATING INCOME AND EXPENSE</b>																				
Property Taxes	900	6.4	921	5.9	951	5.6	977	5.6	1,005	5.6	1,035	5.6	1,066	5.6	1,098	5.6	1,131	5.6	1,165	5.6
Insurance	199	1.4	205	1.3	211	1.2	218	1.2	224	1.2	231	1.2	238	1.2	245	1.2	252	1.2	260	1.2
Total	1,099	7.8	1,126	7.2	1,162	6.8	1,195	6.8	1,229	6.8	1,266	6.8	1,304	6.8	1,343	6.8	1,384	6.8	1,425	6.8
<b>EBITDA</b>	3,062	21.7	3,911	24.9	4,634	27.3	4,775	27.3	4,920	27.3	5,067	27.3	5,219	27.3	5,376	27.3	5,537	27.3	5,703	27.3
Reserve for Replacement	704	5.0	785	5.0	849	5.0	874	5.0	901	5.0	928	5.0	955	5.0	984	5.0	1,014	5.0	1,044	5.0
<b>EBITDA LESS RESERVE</b>	\$2,358	16.7 %	\$3,126	19.9 %	\$3,785	22.3 %	\$3,901	22.3 %	\$4,019	22.3 %	\$4,140	22.3 %	\$4,264	22.3 %	\$4,392	22.3 %	\$4,524	22.3 %	\$4,659	22.3 %

\*Departmental expenses are expressed as a percentage of departmental revenues.

The following description sets forth the basis for the forecast of revenue and expense.

We anticipate that it will take three years for the subject property to reach a stabilized level of operation. Each revenue and expense item has been forecast based upon our review of the subject property's operating history, operating budget, and comparable revenue and expense statements. The forecast begins on May 1, 2025, expressed in inflated dollars for each year.

#### Rooms Revenue

Rooms revenue is determined by two variables, occupancy and ADR, which were projected in a previous section of this report. The subject property is expected to stabilize at 72.0% with an ADR of \$231.03 in 2027/28. Following the stabilized year, the subject hotel's ADR is projected to increase along with the underlying rate of growth assigned to EBITDA Less Replacement Reserve.

#### Food and Beverage Revenue

In the case of the Milwaukee Marriott Downtown, the outlet offerings (a restaurant with a bar) serve as a source of revenue, as well as an amenity that assists in the sale of guestrooms. In addition to this offering, banquet space at the subject property encompasses square feet. Property wide renovations are expected to assist in the accommodation of a higher number of corporate and group events to the subject property, allowing the F&B department to experience notable growth, albeit still below levels illustrated in 2019 on a deflated stabilized basis.

**FIGURE 9-10 FOOD AND BEVERAGE REVENUE**

	Subject Property 2024/25	Comparable Operating Statements					Subject Property Forecast	
		#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
<b>Food &amp; Beverage Revenue</b>								
Percentage of Revenue	17.4 %	22.8 %	26.0 %	22.0 %	21.3 %	17.5 %	18.7 %	21.8 %
Per Available Room	\$11,914	\$17,789	\$20,287	\$16,120	\$16,121	\$11,701	\$12,823	\$17,038
Per Occupied Room	\$46.50	\$67.62	\$77.16	\$60.83	\$63.67	\$44.33	\$50.19	\$64.83

#### Other Operated Departments Revenue

According to the USALI, other operated departments include any major or minor operated department that carries expenses, aside from rooms and food and beverage (F&B). Revenues associated with telephone charges, market pantry sales, and laundry fees are included in the other operated departments line.

**FIGURE 9-11 OTHER OPERATED DEPARTMENTS REVENUE**

	Subject Property 2024/25	Comparable Operating Statements					Subject Property Forecast	
		#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	0.7 %	1.5 %	3.5 %	3.1 %	4.0 %	1.2 %	0.7 %	0.6 %
Per Available Room	\$480	\$1,166	\$2,708	\$2,307	\$3,032	\$803	\$496	\$500
Per Occupied Room	\$1.87	\$4.43	\$10.30	\$8.70	\$11.97	\$3.04	\$1.94	\$1.90

**Parking Income**

Parking revenue is generated by valet parking operations. Management has a revenue share agreement with Town Park to provide valet services for hotel guests. Parking revenue has remained relatively flat in the last two years, despite management's efforts to adjust the parking rates for hotel guests on a daily basis based on area events and occupancy. Parking revenue is forecast to stabilize at \$12.51 per occupied room by the stabilized year. Parking expenses have been forecast in line with historic levels and reflect reimbursement to the valet provider.

**Miscellaneous Income**

According to the USALI, miscellaneous income includes attrition fees, cancellation fees, outside agreement commissions, and interest income, among other items that do not carry expenses. The miscellaneous income line item includes revenues from cancellation fees, attrition, and other minor items.

**FIGURE 9-12 MISCELLANEOUS INCOME**

	Subject Property 2024/25	Comparable Operating Statements					Subject Property Forecast	
		#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	0.2 %	0.0 %	0.4 %	0.4 %	0.4 %	4.6 %	0.3 %	0.3 %
Per Available Room	\$163	\$0	\$299	\$295	\$310	\$3,051	\$195	\$196
Per Occupied Room	\$0.64	\$0.00	\$1.14	\$1.11	\$1.23	\$11.56	\$0.76	\$0.75

**Rooms Expense**

Rooms expense consists of items related to the sale and upkeep of guestrooms and public space. Salaries, wages, and employee benefits account for a substantial portion of this category. Although payroll varies somewhat with occupancy, and managers can generally scale the level of service staff on hand to meet an expected occupancy level, a base level of front desk personnel, housekeepers, and supervisors must be maintained at all times. As a result, salaries, wages, and employee benefits are moderately sensitive to changes in occupancy.

Commissions and reservations are usually based on room sales and, thus, are highly sensitive to changes in occupancy and average rate. While guest supplies vary 100% with occupancy, linens and other operating expenses are only slightly affected by volume.

**FIGURE 9-13 ROOMS EXPENSE**

	Subject Property 2024/25	Comparable Operating Statements					Subject Property Forecast	
		#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	22.0 %	18.0 %	19.2 %	22.6 %	20.1 %	18.4 %	22.2 %	20.8 %
Per Available Room	\$11,699	\$10,627	\$10,504	\$12,334	\$11,315	\$9,435	\$11,557	\$11,927
Per Occupied Room	\$45.66	\$40.39	\$39.95	\$46.55	\$44.69	\$35.75	\$45.23	\$45.38

### Food and Beverage Expense

Food and beverage (F&B) expense is associated with the generation of F&B revenue within the restaurant and lounge outlets, as well as the banquet and meeting facilities. The cost of F&B is directly correlated to F&B revenue, while the F&B payroll expense is moderately fixed. The cost of items such as dishware, linens, and uniforms are less dependent on volume. Given the assumed improvement in departmental revenues, we have adjusted the F&B expense upward during the initial forecast period, above the underlying inflationary rate, to maintain an appropriate level of expense as a percentage of departmental revenue in light of comparable operating statements and the hotel's established operating history.

**FIGURE 9-14 FOOD AND BEVERAGE EXPENSE**

	Subject Property 2024/25	Comparable Operating Statements					Subject Property Forecast	
		#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	93.9 %	71.1 %	62.1 %	72.4 %	77.6 %	63.9 %	86.8 %	74.1 %
Per Available Room	\$11,190	\$12,647	\$12,603	\$11,667	\$12,507	\$7,480	\$11,125	\$12,626
Per Occupied Room	\$43.67	\$48.07	\$47.94	\$44.03	\$49.40	\$28.34	\$43.54	\$48.04

### Other Operated Departments Expense

Other operated departments expense comprises expenses associated with the hotel's various other and minor operated departments.

**FIGURE 9-15 OTHER OPERATED DEPARTMENTS EXPENSE**

	Subject Property 2024/25	Comparable Operating Statements					Subject Property Forecast	
		#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	80.7 %	1.4 %	11.0 %	63.3 %	67.6 %	47.0 %	80.7 %	80.3 %
Per Available Room	\$388	\$16	\$298	\$1,459	\$2,050	\$377	\$400	\$401
Per Occupied Room	\$1.51	\$0.06	\$1.13	\$5.51	\$8.10	\$1.43	\$1.57	\$1.53



### Administrative and General Expense

Administrative and general expense includes the salaries and wages of all administrative personnel who are not directly associated with a particular department. Expense items related to the management and operation of the property are also allocated to this category.

Most administrative and general expenses are relatively fixed. The exceptions are cash overages and shortages; commissions on credit card charges; provision for doubtful accounts, which are moderately affected by the number of transactions or total revenue; and salaries, wages, and benefits, which are very slightly influenced by volume. Based upon our review of comparable operating statements and the operating history of the subject hotel, we have adjusted the administrative & general line item downward.

**FIGURE 9-16 ADMINISTRATIVE AND GENERAL EXPENSE**

	Subject Property	Comparable Operating Statements					Subject Property Forecast	
	2024/25	#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	8.0 %	6.6 %	5.3 %	9.1 %	9.3 %	7.6 %	7.8 %	7.0 %
Per Available Room	\$5,471	\$5,178	\$4,170	\$6,647	\$7,082	\$5,107	\$5,390	\$5,492
Per Occupied Room	\$21.35	\$19.68	\$15.86	\$25.08	\$27.97	\$19.35	\$21.10	\$20.90

### Information and Telecommunications Systems Expense

Information and telecommunications systems expense consists of all costs associated with a hotel's technology infrastructure. This includes the costs of cell phones, administrative call and Internet services, and complimentary call and Internet services. Expenses in this category are typically organized by type of technology or the area benefiting from the technology solution.

**FIGURE 9-17 INFORMATION AND TELECOMMUNICATIONS SYSTEMS EXPENSE**

	Subject Property	Comparable Operating Statements					Subject Property Forecast	
	2024/25	#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	1.0 %	0.6 %	0.8 %	0.7 %	0.7 %	2.2 %	1.1 %	0.9 %
Per Available Room	\$708	\$477	\$651	\$545	\$535	\$1,464	\$724	\$738
Per Occupied Room	\$2.76	\$1.81	\$2.48	\$2.06	\$2.11	\$5.55	\$2.83	\$2.81

### Marketing Expense

Marketing expense consists of all costs associated with advertising, sales, and promotion; these activities are intended to attract and retain customers. Marketing can be used to create an image, develop customer awareness, and stimulate patronage of a property's various facilities.

The marketing category is unique in that all expense items, with the exception of fees and commissions, are totally controlled by management. Most hotel operators establish an annual marketing budget that sets forth all planned expenditures. If the budget is followed, total marketing expenses can be projected accurately.

Marketing expenditures are unusual because, although there is a lag period before results are realized, the benefits are often extended over a long period. Depending on the type and scope of the advertising and promotion program implemented, the lag time can be as short as a few weeks or as long as several years. However, the favorable results of an effective marketing campaign tend to linger, and a property often enjoys the benefits of concentrated sales efforts for many months.

**FIGURE 9-18 MARKETING EXPENSE**

	Subject Property 2024/25	Comparable Operating Statements					Subject Property Forecast	
		#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	8.2 %	7.9 %	6.7 %	9.3 %	7.5 %	6.8 %	8.4 %	7.6 %
Per Available Room	\$5,657	\$6,162	\$5,195	\$6,800	\$5,719	\$4,541	\$5,785	\$5,894
Per Occupied Room	\$22.08	\$23.42	\$19.76	\$25.66	\$22.59	\$17.21	\$22.64	\$22.43

### Franchise Fee

The hotel currently operates as a Marriott Hotel under a license agreement with Marriott International; the existing agreement expires in 2038 and does not carry an option for renewal. The property's current franchise agreement had a ramp up in franchise fees, but as of the fourth operating year the fees stabilize at a royalty fee of 6.0% of rooms revenue and 3% of food and beverage revenue, and a marketing fund charge of 1.0% of rooms revenue. We note that the current franchise agreement cannot automatically be transferred to a new owner upon the sale of the property. We have assumed that a buyer would elect to continue to operate the hotel as a Marriott and would enter into a license agreement that would reflect the current terms as published in the company's franchise disclosure document (FDD). The costs of the Marriott affiliation, which are reflected in our forecast, comprise a 6.0% royalty fee and a 1.0% marketing fund fee (percentage of rooms revenue). Furthermore, the royalty fee includes a 3.0% of food and beverage revenue assessment. Other charges related to the affiliation, such as frequent guest programs, are reflected in the appropriate departmental expenses, consistent with the Uniform System of Accounts for the Lodging Industry (USALI).

Marketing expense and franchise fees are often analyzed in total because hotels may account for some components of franchise expense in the marketing expense category. The subject property's total marketing and franchise expense has been forecast at 13.4% of total revenue on a stabilized basis; the comparable operating statements show a range from 12.1% to 14.6% of total revenue.

## Property Operations and Maintenance

Property operations and maintenance expense is another expense category that is largely controlled by management. Except for repairs that are necessary to keep the facility open and prevent damage (e.g., plumbing, heating, and electrical items), most maintenance can be deferred for varying lengths of time.

The age of a lodging facility has a strong influence on the required level of maintenance. A new or thoroughly renovated property is protected for several years by modern equipment and manufacturers' warranties. However, as a hostelry grows older, maintenance expenses escalate. A well-organized preventive maintenance system often helps delay deterioration, but most facilities face higher property operations and maintenance costs each year, regardless of the occupancy trend. The quality of initial construction can also have a direct impact on future maintenance requirements. The use of high-quality building materials and construction methods generally reduces the need for maintenance expenditures over the long term.

Maintenance is an accumulating expense. If management elects to postpone performing a required repair, the expenditure has not been eliminated, only deferred until a later date. A lodging facility that operates with a lower-than-normal maintenance budget is likely to accumulate a considerable amount of deferred maintenance.

**FIGURE 9-19 PROPERTY OPERATIONS AND MAINTENANCE EXPENSE**

	Subject Property 2024/25	Comparable Operating Statements					Subject Property Forecast	
		#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	4.1 %	4.1 %	3.1 %	2.8 %	4.3 %	3.5 %	3.9 %	3.5 %
Per Available Room	\$2,813	\$3,223	\$2,392	\$2,054	\$3,281	\$2,370	\$2,672	\$2,723
Per Occupied Room	\$10.98	\$12.25	\$9.10	\$7.75	\$12.96	\$8.98	\$10.46	\$10.36

## Utilities Expense

The utilities consumption of a lodging facility takes several forms, including water and space heating, air conditioning, lighting, cooking fuel, and other miscellaneous power requirements. The most common sources of hotel utilities are electricity, natural gas, fuel oil, and steam. This category also includes the cost of water service.

Total energy cost depends on the source and quantity of fuel used. Electricity tends to be the most expensive source, followed by oil and gas. Although all hotels consume a sizable amount of electricity, many properties supplement their utility requirements with less expensive sources, such as gas and oil, for heating and cooking. Utility expenses are highly tied to local utility rates in the Milwaukee market; therefore, we have given primary consideration to the hotel's operating history.

**FIGURE 9-20 UTILITIES EXPENSE**

	Subject Property 2024/25	Comparable Operating Statements					Subject Property Forecast	
		#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	3.3 %	3.5 %	2.0 %	1.5 %	2.5 %	3.2 %	3.4 %	3.1 %
Per Available Room	\$2,292	\$2,707	\$1,541	\$1,108	\$1,859	\$2,159	\$2,344	\$2,388
Per Occupied Room	\$8.95	\$10.29	\$5.86	\$4.18	\$7.34	\$8.18	\$9.17	\$9.09

**Management Fee**

Management expense consists of the fees paid to the managing agent contracted to operate the property. Some companies provide management services and a brand-name affiliation (first-tier management company), while others provide management services alone (second-tier management company). Some management contracts specify only a base fee (usually a percentage of total revenue), while others call for both a base fee and an incentive fee (usually a percentage of defined profit). Basic hotel management fees are often based on a percentage of total revenue, which means they have no fixed component. While base fees typically range from 2.0% to 4.0% of total revenue, incentive fees are deal-specific and often are calculated as a percentage of income available after debt service and, in some cases, after a preferred return on equity.

The subject hotel is managed by White Lodging Services. Terms of this agreement call for a base management fee of 3.5% of gross revenues; furthermore, the agreement calls for an incentive fee of 20.0% of operating profit, after payment of an owner's priority, which is 10% of the total project costs. While the appraisers were not provided with the total project costs to date, we have assumed that based on the reported construction cost of \$54 million, the operating profit is not expected to surpass an owner's priority of \$5.4M throughout the projection period. Therefore, our projections do not reflect any incentive management fees. In addition, the management agreement cannot be terminated upon sale unless a termination fee is paid, which is equal to the greater of \$1,000,000 or two times the management fee in the prior fiscal year. As a result, our appraisal assumes that the hotel will remain managed by White Lodging Services throughout the assumed holding period, with 3.5% management fees deducted.

**Property Taxes**

Property (or ad valorem) tax is one of the primary revenue sources of municipalities. Based on the concept that the tax burden should be distributed in proportion to the value of all properties within a taxing jurisdiction, a system of assessments is established. Theoretically, the assessed value placed on each parcel bears a definite relationship to market value; thus, properties with equal market values will have similar assessments, and properties with higher and lower values will have proportionately larger and smaller assessments.

Depending on the taxing policy of the municipality, property taxes can be based on the value of the real property or the value of the personal property and the real property. We have based our estimate of the subject property's market value (for tax purposes) on an analysis of assessments of both the subject property and comparable hotel properties in the local municipality. The following table details the subject property's assessment history.

**FIGURE 9-21 SUBJECT PROPERTY'S ASSESSMENT HISTORY – REAL PROPERTY**

Real Property				
Assessed Value				
Year	Land	Improvements	Real Property Total	Percent Change
2021	\$2,484,000	\$28,120,500	\$30,604,500	—
2022	2,484,000	30,967,900	33,451,900	9.3 %
2023	2,484,000	30,967,900	33,451,900	0.0
2024	2,484,000	32,312,000	34,796,000	4.0
2025	2,484,000	33,985,900	36,469,900	4.8

Source: Milwaukee Assessor's Office

**FIGURE 9-22 SUBJECT PROPERTY'S ASSESSMENT HISTORY – SPECIAL ASSESSMENTS/CREDITS**

Special Assessments/Credits				
Year	Special Assessment	Percent Change	First Dollar Credit	Percent Change
2021	\$48,391	—	-69.35	—
2022	53,482	10.5 %	-73.76	6.4 %
2023	55,674	4.1	-71.46	(3.1)
2024	55,890	0.4	-87.04	—
2025	N/A	—	N/A	—

Source: City Treasurer

Reassessments occur annually as of January 1 in Milwaukee County, and for taxes due in 2025 (based on 2024 assessments) the real property assessment ratio equated to 90.2% of fair market value. By law, the county is required to assess

within 10% of market value at least once in every four year period. As of 2024, taxes are no longer assessed on personal property in Milwaukee County. Based on our review of the subject property's historical assessments, comparable data, and the historical trends in tax rates, we have forecast the subject property's real property assessment to increase modestly in the second and third projection period given the anticipated timing and scope of renovations, while also considering our "as is" market value.

Tax rates are based on the city and county budgets, which change annually. The following table shows changes in the tax rate during the last several years.

**FIGURE 9-23 PROPERTY TAX RATES**

<u>Year</u>	<u>Real Property Tax Rate</u>
2021	26.27
2022	23.81
2023	23.63
2024	22.92

Source: City of Milwaukee

Because the objective of assessed value is to maintain a specific value relationship among all properties in a taxing jurisdiction, comparable hotel assessments should be evaluated to determine whether the assessed value of the subject property appears reasonable in this context. A review of the assessed values of several comparable hotels located in the local county jurisdiction reveals the following information.



**FIGURE 9-24 COUNTY-ASSESSED VALUE OF COMPARABLE HOTELS**

Hotel	Year Open	Land	Improvements	Total
Subject Property	2013	\$2,484,000	\$32,312,000	\$34,796,000
Westin Milwaukee	2017	\$4,487,400	\$35,208,500	\$39,695,900
Pfister Hotel	1893	3,240,000	42,534,200	45,774,200
Saint Kate The Arts Hotel	1988	2,922,900	26,349,600	29,272,500
Hyatt Regency Milwaukee	1980	5,530,500	34,463,800	39,994,300
DoubleTree by Hilton Milwaukee City Center	1965	1,678,200	17,844,200	19,522,400
Kimpton Journeyman Hotel	2016	1,016,600	31,204,600	32,221,200
Trade Autograph Collection by Marriott	2023	545,600	52,240,400	52,786,000
Hotel Metro Autograph Collection	1998	1,080,000	5,904,800	6,984,800
Iron Horse Hotel	2008	681,900	21,290,500	21,972,400
Hilton Garden Inn Milwaukee Downtown	2012	1,620,000	15,530,000	17,150,000
Courtyard by Marriott Milwaukee Downtown	1999	3,334,300	17,509,000	20,843,300
Drury Plaza Hotel Milwaukee Downtown	2019	1,106,000	17,853,300	18,959,300

Hotel	Number of Rooms	Amounts Per Room		
		Land	Improvements	Total
Subject Property	205	\$12,117	\$157,620	\$169,737
Westin Milwaukee	220	\$20,397	\$160,039	\$180,436
Pfister Hotel	307	10,554	138,548	149,102
Saint Kate The Arts Hotel	219	13,347	120,318	133,664
Hyatt Regency Milwaukee	483	11,450	71,354	82,804
DoubleTree by Hilton Milwaukee City Center	243	6,906	73,433	80,339
Kimpton Journeyman Hotel	158	6,434	197,497	203,932
Trade Autograph Collection by Marriott	207	2,636	252,369	255,005
Hotel Metro Autograph Collection	63	17,143	93,727	110,870
Iron Horse Hotel	100	6,819	212,905	219,724
Hilton Garden Inn Milwaukee Downtown	127	12,756	122,283	135,039
Courtyard by Marriott Milwaukee Downtown	170	19,614	102,994	122,608
Drury Plaza Hotel Milwaukee Downtown	227	4,872	78,649	83,521

Source: Milwaukee Assessor's Office

Based on comparable assessments and the tax rate information, the subject hotel's projected property tax expense levels are calculated as follows:

**FIGURE 9-25 PROJECTED PROPERTY TAX EXPENSE**

Year	Assessed Value			Forecast Rate of Value Change	Base Rate of Tax Burden Increase	Real Prop. Tax Rate	Tax Forecast	Special Assessment	First Dollar Credit	Total Tax Payable
	Land	Improvements	Total							
Historical	\$2,484,000	\$32,312,000	\$34,796,000	—	—	22.92	\$797,629	\$55,890	(\$87.04)	\$853,519
2025/26	\$2,484,000	\$33,985,900	\$36,469,900	4.8 %	1.0 %	—	\$843,976	\$55,890	(\$87.04)	\$899,779
2026/27	2,484,000	34,155,830	36,639,830	0.5	2.0	—	864,788	55,890	(\$87.04)	920,591
2027/28	2,484,000	34,326,609	36,810,609	0.5	3.0	—	894,762	55,890	(\$87.04)	950,565
2028/29	2,484,000	34,326,609	36,810,609	0.0	3.0	—	921,605	55,890	(\$87.04)	977,408
2029/30	2,484,000	34,326,609	36,810,609	0.0	3.0	—	949,253	55,890	(\$87.04)	1,005,056

**Insurance Expense**

The insurance expense category consists of the cost of insuring the hotel and its contents against damage or destruction by fire, weather, sprinkler leakage, boiler explosion, plate glass breakage, and so forth. General insurance costs also include premiums relating to liability, fidelity, and theft coverage.

Insurance rates are based on many factors, including building design and construction, fire detection and extinguishing equipment, fire district, distance from the firehouse, and the area's fire experience. Insurance expenses do not vary with occupancy.

**FIGURE 9-26 INSURANCE EXPENSE**

	Subject Property 2024/25	Comparable Operating Statements					Subject Property Forecast	
		#1	#2	#3	#4	#5	2025/26	Deflated Stabilized
Percentage of Revenue	1.3 %	1.6 %	0.4 %	0.6 %	1.6 %	1.5 %	1.4 %	1.2 %
Per Available Room	\$906	\$1,244	\$343	\$423	\$1,217	\$1,005	\$972	\$972
Per Occupied Room	\$3.54	\$4.73	\$1.30	\$1.60	\$4.81	\$3.81	\$3.81	\$3.70

**Other Fixed Items**

As illustrated, the operating statements show no additional fixed expenses; therefore, no fixed expenses have been forecast.

**Reserve for  
Replacement**

Furniture, fixtures, and equipment (FF&E) are essential to the operation of a lodging facility, and their quality often influences a property's class. This category includes all non-real estate items that are capitalized, rather than expensed. The FF&E of a hotel are exposed to heavy use and must be replaced at regular intervals. The useful life of these items is determined by their quality, durability, and the amount of guest traffic and use.

Periodic replacement of FF&E is essential to maintain the quality, image, and income-producing potential of a lodging facility. Because capitalized expenditures are not included in the operating statement but affect an owner's cash flow, a

forecast of income and expense should reflect these expenses in the form of an appropriate reserve for replacement.

The International Society of Hospitality Consultants (ISHC) oversees a major industry-sponsored study of the capital expenditure requirements for full-service/luxury, select-service, and extended-stay hotels. The most recent study was published in 2023.<sup>12</sup> Historical capital expenditures of well-maintained hotels were investigated through the compilation of data provided by most of the major hotel companies in the United States. A prospective analysis of future capital expenditure requirements was also performed based upon the cost to replace short- and long-lived building components over a hotel's economic life. The study showed that the capital expenditure requirements for hotels vary significantly from year to year and depend upon both the actual and effective ages of a property. The results of this study showed that hotel lenders and investors are requiring reserves for replacement ranging from 4.0% to 5.0% of total revenue.

The hotel's management agreement requires a reserve for replacement of 5.0% of total revenues to provide for the timely and periodic replacement of the subject property's furniture, fixtures, and equipment. As any sale of the hotel would be encumbered by the management agreement, we have forecast the reserve in line with the contracted level.

#### Forecast of Revenue and Expense Conclusion

Historical and projected total revenue and net operating income are set forth in the following chart.

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<sup>12</sup> The International Society of Hotel Consultants, *CapEx 2023, A Study of Capital Expenditures in the U.S. Hotel Industry*.

**FIGURE 9-27 FORECAST OF REVENUE AND EXPENSE CONCLUSION**

		Total Revenue		Gross Operating Profit			EBITDA Less Replacement Reserve		
						As a % of			As a %
		Total	% Change	Total	% Change	Total Rev.	Total	% Change	of Total Rev.
<b>Historical</b>	2019	\$15,653,000	—	\$5,849,000	—	37.4 %	\$3,274,000	—	20.9 %
	<i>partial</i> 2020	2,435,000	(84.4) %	(397,000)	(106.8) %	(16.3)	(1,831,000)	(155.9) %	(75.2)
	<i>partial</i> 2021	3,259,000	33.8	889,000	323.9	27.3	(325,000)	82.3	(10.0)
	2022	10,158,000	211.7	2,816,000	216.8	27.7	921,000	383.4	9.1
	2023	12,307,000	21.2	3,367,000	19.6	27.4	1,289,000	40.0	10.5
	2024	13,735,000	11.6	4,280,000	27.1	31.2	2,079,000	61.3	15.1
	<i>Fiscal Year Ending March 31</i> 2024/25	14,070,000	2.4	4,587,000	7.2	32.6	2,370,000	14.0	16.8
<b>Projected</b>	2025/26	\$14,087,000	0.1 %	\$4,654,000	1.5 %	33.0 %	\$2,358,000	(0.5) %	16.7 %
	2026/27	15,700,000	11.5	5,586,000	20.0	35.6	3,126,000	32.6	19.9
	2027/28	16,977,000	8.1	6,390,000	14.4	37.6	3,785,000	21.1	22.3
	2028/29	17,487,000	3.0	6,582,000	3.0	37.6	3,901,000	3.1	22.3
	2029/30	18,011,000	3.0	6,780,000	3.0	37.6	4,019,000	3.0	22.3

#### INCOME CAPITALIZATION – DISCOUNTED CASH FLOW

The subject property has been valued via the income approach through the application of a ten-year DCF analysis. The process of converting the projected income stream into an estimate of value is described as follows:

1. An appropriate discount rate is selected to apply to the projected net income before debt service. This rate reflects the unlevered, "free and clear" internal rate of return required by hotel investors. While the costs of debt and equity are not explicitly considered in the analysis, the selected discount rate implicitly reflects the costs of debt and equity as of the date of value. The discount rate takes into consideration the degree of perceived risk, anticipated income growth, market attitudes, and rates of return on other investment alternatives, as well as the availability and cost of financing. The discount rate is chosen by reviewing sales transactions and investor surveys and interviewing market participants.
2. A reversionary value reflecting the sales price of the property at the end of the ten-year period is calculated by capitalizing the eleventh-year net income by the terminal capitalization rate and deducting typical brokerage and legal fees. The terminal capitalization rate reflects an investor's expectations of the cost of capital and asset appreciation at the end of the assumed ten-year holding period.
3. Each year's forecasted net income before debt service and depreciation and the reversionary sales proceeds at the end of the ten-year period are

converted to a present value by multiplying the cash flow by the selected discount rate for that year in the forecast. The sum of the discounted cash flows equates to the value of the subject property.

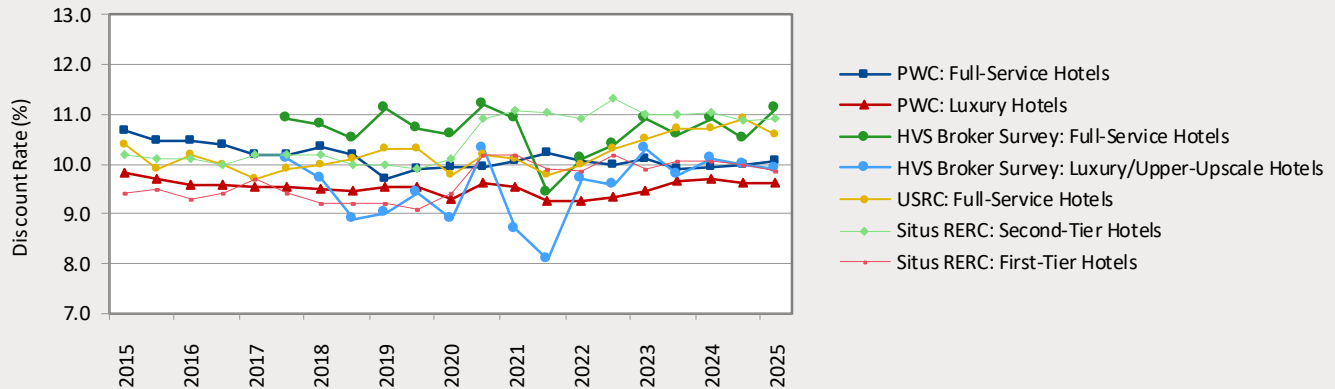
## Discount Rate

Discount rates reflect a blended cost of debt and equity. The hotel investment market is currently in a state of flux. Most lodging markets have substantially recovered from the impact of the pandemic, with RevPAR now exceeding 2019 levels. These strong market fundamentals have attracted investors seeking acquisition opportunities within the sector. However, concerns about the near-term economic outlook, combined with increased regulations, have limited the availability of debt, particularly from traditional sources. Interest rates remain elevated from both recent and pre-pandemic norms given the successive increases by the Fed. Thus, these factors have resulted in a challenging lending environment.

Short-term loans are available from some sources and are typically structured with initial terms of one to three years, followed by several one-year extension options. These loans are usually interest only and reflect interest rates in the upper single-digit range. Offsetting the more stringent lending environment is the significant equity that has been raised to pursue hotel assets. The competitive equity environment is somewhat mitigating the full impact of the more expensive debt component; nevertheless, discount rates are higher than the levels reported in prior years.

Discount rates derived from investor and broker surveys, as well as hotel sales transactions,<sup>13</sup> were reviewed. The following chart summarizes the averages presented for discount rates in various investor surveys during the past decade. The table after the chart reflects the most recent data for the subject property's asset class. We note that these results represent overall averages taken from a wide array of individual data points; accordingly, a range of reasonableness exists above and below the most recent figures.

<sup>13</sup> Discount rates were derived from hotels that were appraised by HVS at the time of sale.

**FIGURE 9-28 HISTORICAL TRENDS OF DISCOUNT RATES****FIGURE 9-29 OVERALL DISCOUNT RATES DERIVED FROM SALES AND INVESTOR SURVEYS**

Source	Data Point Range	Average
HVS Hotel Sales - Full-Service & Luxury	7.9% – 12.7%	10.5%
HVS Hotel Sales - Select-Service & Extended-Stay	9.9% – 12.9%	11.3%
<i>HVS Brokers Survey</i>	<i>Spring 2025 Survey</i>	
Luxury & Upper Upscale Hotels	7.0% – 12.5%	9.9%
Full-Service Hotels	9.0% – 12.5%	11.1%
<i>PWC Real Estate Investor Survey</i>	<i>1st Quarter 2025 Survey</i>	
Luxury Hotels	7.5% – 11.0%	9.6%
Full-Service Hotels	8.0% – 12.0%	10.1%
<i>USRC Hotel Investment Survey</i>	<i>Winter 2025 Survey</i>	
Full-Service Hotels	9.75% – 11.5%	10.6%
<i>Situs RERC Real Estate Report</i>	<i>4th Quarter 2024 Survey</i>	
Second-Tier Hotels	9.0% – 13.2%	10.9%
First-Tier Hotels	8.5% – 12.0%	9.9%

We find that investor surveys typically lag market sentiment by three to six months. Our review of hotel transaction activity and pricing indicates that the discount rate applied to the projected EBITDA Less Replacement Reserve in the hotel valuation



process is affected primarily by the profile and desirability of the asset, the most likely investor, and the prognosis for transaction financing.

In the present capital market environment, financing for hotels is available for capitalized buyers with strong lending relationships and at interest rates that are starting to normalize from the high rates of 2023 and early 2024. Following the federal funds rate adjustments of 2024, interest rates have typically been in the 7.0% to 8.0% range, depending on the asset and market, while LTV ratios and amortization periods remain somewhat lower than normal, reflecting the market's continued perception of elevated risk in the near term. These factors have combined to make mortgage capital relatively expensive, compared to longer-term norms. However, with the anticipated continued reductions to the federal funds rate, mortgage terms and availability are expected to improve, returning to levels more in line with historical norms over the long term.

Investors seeking financing in this environment typically do so with the expectation of refinancing the debt as and when market conditions improve. Thus, while the near-term cost of capital is high, the property would be anticipated to be refinanced at more favorable terms over the long term. Consistent with this expectation, current loans are typically for a shorter term (one to three years), with new financing assumed at the end of this period. The timing of the assumed refinancing usually aligns with the anticipated stabilization of EBITDA levels, which further supports the assumed refinancing.

HVS has developed a debt-equity model that recognizes both the current market conditions and the prevailing expectation of refinancing when those conditions improve. The financing terms that would be available in the current market are established, and the resulting mortgage is assumed to be in place for two to four years. The terms of the future or refinancing loan are developed, reflecting the assumed return to levels consistent with longer-term norms. Based on this two-part mortgage scenario, a blended discount rate is calculated using the EBITDA forecast for the subject property. The following table summarizes the investment parameters assumed for both the current and the future refinancing.

**FIGURE 9-30 WEIGHTED AVERAGE COST OF CAPITAL, BASED ON ASSUMED REFINANCING**

	<u>Current Financing Terms</u>	<u>Refinancing Terms</u>
Loan/Value:	60.0%	65.0%
Amortization:	25 Years	30 Years
Term:	10 Years	10 Years
Interest Rate:	7.50%	5.50%
Terminal Cap Rate:	8.0%	8.0%
Transaction Costs:	2.5%	2.5%
Equity Yield:	16.0%	17.0%
Total Property Yield:	11.8%	10.5%
Year of Refinancing:		4
Blended Total Property Yield	11.0%	

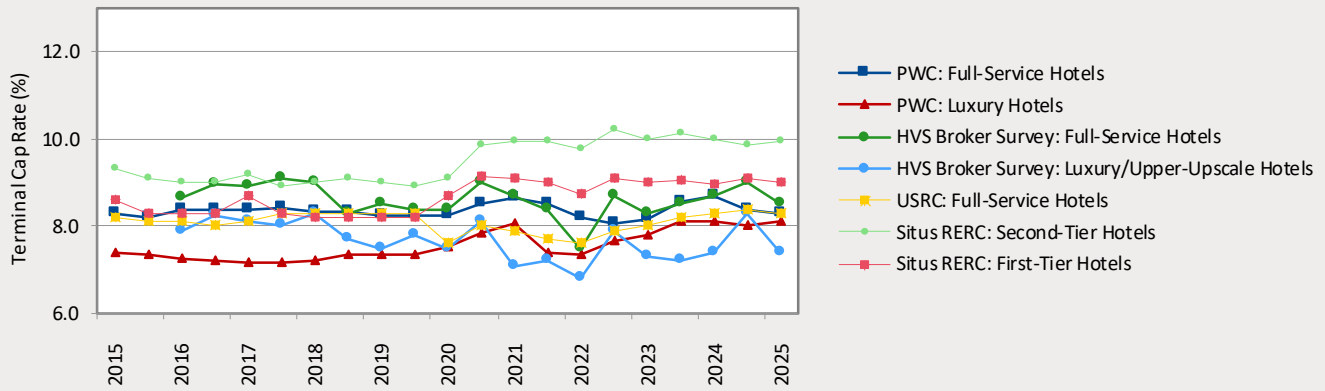
The subject property is categorized as a full-service, first-tier hotel. Based on the characteristics of the subject property, including its age, physical condition, brand affiliation, management agreement, and historical income generation, we have selected a discount rate of 11.00%. This is reflected in the above table as the blended total property yield. As previously noted, investor surveys typically lag market sentiment by three to six months, and therefore are not reflective of the current uncertainty related to recent U.S. policies that have affected both the U.S. and global economies. Given the recent changes and economic uncertainty, we have adjusted the discount rate slightly higher, reflecting a positioned level above where we believe it would be reasonably be positioned in accordance with investor surveys.

#### **Terminal Capitalization Rate**

Inherent in this valuation process is the assumption of a sale at the end of the ten-year holding period. The estimated reversionary sales price as of that date is calculated by capitalizing the projected eleventh-year net income by an overall terminal capitalization rate. An allocation for the selling expenses is deducted from this sales price.

Terminal capitalization rates reported in several recent investor and broker surveys were reviewed. The following chart summarizes the averages presented for terminal capitalization rates in various investor surveys during the past decade.

**FIGURE 9-31 HISTORICAL TRENDS OF TERMINAL CAPITALIZATION RATES**



**FIGURE 9-32 TERMINAL CAPITALIZATION RATES DERIVED FROM INVESTOR SURVEYS**

Source	Data Point Range	Average
<i>HVS Brokers Survey</i>		
<i>Spring 2025 Survey</i>		
Luxury & Upper Upscale Hotels	5.5% – 9.5%	7.4%
Full-Service Hotels	6.0% – 11.0%	8.5%
<i>PWC Real Estate Investor Survey</i>		
<i>1st Quarter 2025 Survey</i>		
Luxury Hotels	6.5% – 10.0%	8.1%
Full-Service Hotels	5.0% – 10.5%	8.3%
<i>USRC Hotel Investment Survey</i>		
<i>Winter 2025 Survey</i>		
Full-Service Hotels	7.0% - 10.5%	8.3%
<i>Situs RERC Real Estate Report</i>		
<i>4th Quarter 2024 Survey</i>		
Second-Tier Hotels	8.0% – 12.3%	9.9%
First-Tier Hotels	7.5% – 10.5%	9.0%

The number of hotel investors active during the current cycle has created competition for desirable assets, particularly those with strong products and/or in desirable locations. As a result, investors pursuing these assets often do not adjust the terminal capitalization rates, reflecting their expectation of asset appreciation. Conversely, less desirable assets, such as older facilities or those with high fixed costs (e.g., union labor, ground lease, etc.) have not seen as much competition; thus, an upward adjustment may be warranted.

Average terminal capitalization rates for full-service, first-tier hotels were considered. Terminal cap rates are at the low end of the range for quality hotel assets in markets with high barriers to entry and at the high end of the range for older assets, for those suffering from functional obsolescence, and/or for weak market conditions, reflecting the recognition that certain assets have less opportunity for significant appreciation. Based on the subject property's modern design, age, and Downtown Milwaukee location, it is our opinion that a terminal capitalization rate of 8.00% would be appropriate.

#### DCF Analysis "As Is"

Utilizing the discount rate set forth, the DCF procedure is summarized as follows. The capital deduction is applied in this analysis as shown.

**FIGURE 9-33 DISCOUNTED CASH FLOW ANALYSIS**

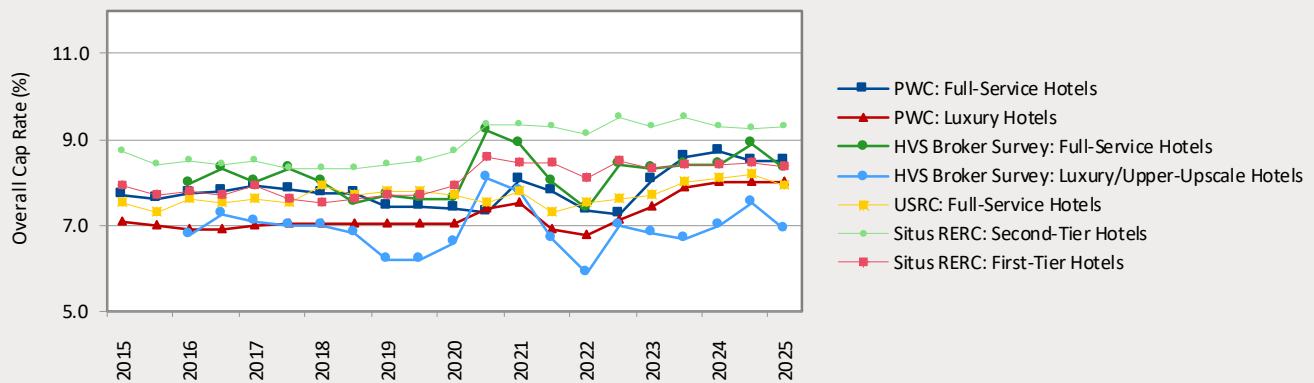
Year	EBITDA Less Reserves	Discount Factor @ 11.00%	Discounted Cash Flow
2025/26	\$2,358,000	0.90090	\$2,124,000
2026/27	3,126,000	0.81162	2,537,000
2027/28	3,785,000	0.73119	2,768,000
2028/29	3,901,000	0.65873	2,570,000
2029/30	4,019,000	0.59345	2,385,000
2030/31	4,140,000	0.53464	2,213,000
2031/32	4,264,000	0.48166	2,054,000
2032/33	4,392,000	0.43393	1,906,000
2033/34	4,524,000	0.39092	1,769,000
2034/35	63,151,000 *	0.35218	22,241,000
Estimated Market Value, Prior to Deduct Capital Deduction (If Applicable)			\$42,566,000 5,700,000
Estimated Market Value, After Deduct			\$36,866,000
<b>Rounded To</b>			<b>\$36,900,000</b>
<b>Per Room</b>			<b>\$180,000</b>
<b>Reversion Analysis</b>			
11th Year's EBITDA Less Reserves			\$4,799,000
Capitalization Rate			8.00%
Total Sales Proceeds			\$59,991,000
Less: Transaction Costs @ 2.5%			1,500,000
Net Sales Proceeds			\$58,491,000

\*10th year net income of \$4,659,491 plus sales proceeds of \$58,491,000

## Direct Capitalization

The following chart summarizes the averages presented for overall capitalization rates in various investor surveys during the past decade.

**FIGURE 9-34 HISTORICAL TRENDS OF OVERALL CAPITALIZATION RATES**



**FIGURE 9-35 OVERALL CAPITALIZATION RATES DERIVED FROM SALES AND INVESTOR SURVEYS**

Source	Data Point Range	Average
HVS Hotel Sales - Full-Service & Luxury	2.2% – 9.8%	7.2%
HVS Hotel Sales - Select-Service & Extended-Stay	5.9% – 11.2%	8.1%
HVS Hotel Sales - Limited-Service	6% – 12.9%	9.1%
<i>HVS Brokers Survey</i>	<i>Spring 2025 Survey</i>	
Luxury & Upper Upscale Hotels	5.0% – 9.0%	6.9%
Full-Service Hotels	5.5% – 10.5%	8.3%
<i>PWC Real Estate Investor Survey</i>	<i>1st Quarter 2025 Survey</i>	
Luxury Hotels	6.0% – 9.0%	8.0%
Full-Service Hotels	7.0% – 9.5%	8.5%
<i>USRC Hotel Investment Survey</i>	<i>Winter 2025 Survey</i>	
Full-Service Hotels	6.0% – 8.5%	7.9%
<i>Situs RERC Real Estate Report</i>	<i>4th Quarter 2024 Survey</i>	
Second-Tier Hotels	7.0% – 11.6%	9.3%
First-Tier Hotels	6.5% – 10.0%	8.4%

The following table reflects the capitalization rates for the subject property that have been derived based on our estimate of market value via the DCF analysis. Note that the stabilized year's net income has been deflated to first-year dollars.

**FIGURE 9-36 DERIVED CAPITALIZATION RATES**

Year	EBITDA Less Replacement Reserves	Market Value "As Is"	Derived Capitalization Rate	Market Value With Capital Deduction (Total Investment)	Capitalization Rate On Total Investment
2024/25 Historical *	\$2,370,000	\$36,900,000	6.4 %	\$42,600,000	5.6 %
Forecast 2025/26	2,358,000	36,900,000	6.4	42,600,000	5.5
Deflated Stabilized (2024/25) Dollars	3,568,000	36,900,000	9.7	42,600,000	8.4

\* Historical EBITDA Less Replacement Reserves has been adjusted to reflect a 5.0% reserve

The capitalization rate based on the first year's projected EBITDA Less Replacement Reserve is below the current rates of return for hotel investments that reflect the subject hotel's operating profile due to the forthcoming renovation expected at the subject property. The capitalization rate indicated by the deflated stabilized EBITDA Less Replacement Reserve is within the typical range, although somewhat high in reflection of the risk associated with reaching stabilization following the assumed renovations.

## Conclusion

Using the income capitalization approach, the subject property has been valued utilizing a DCF analysis and the direct capitalization approach. The value indication via the income capitalization approach has been concluded to be \$36,900,000, or \$180,000 per room.



## 10. Sales Comparison Approach

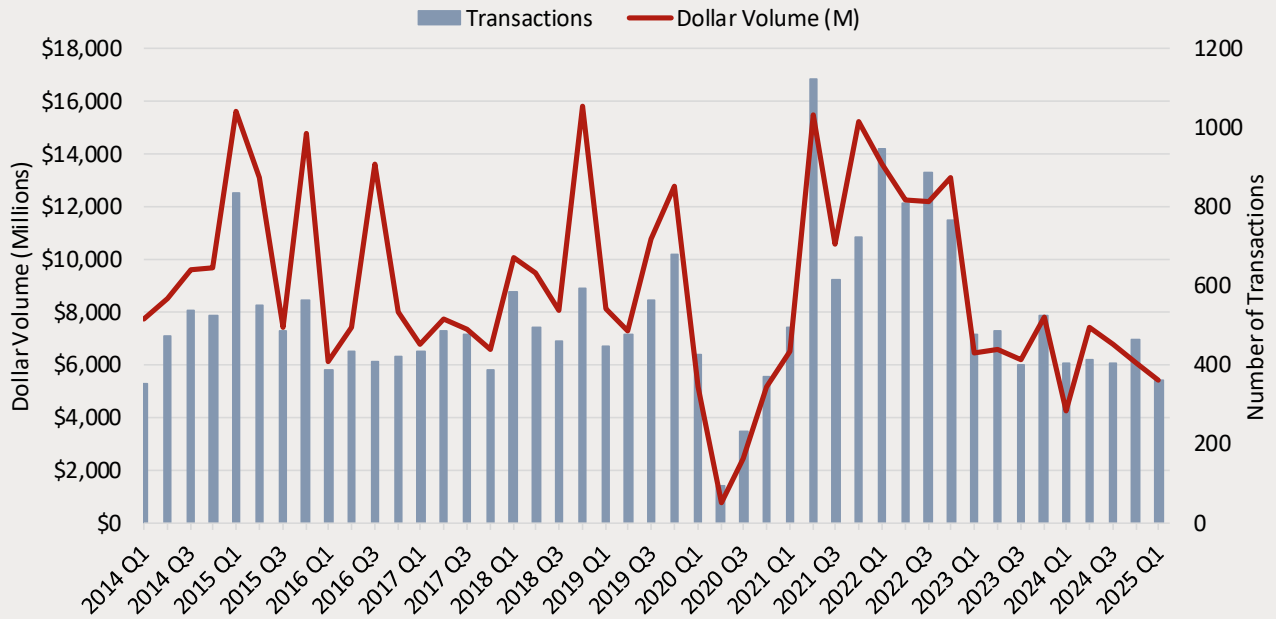
### Hotel Investment Market Overview

The sales comparison approach is based on the principle of substitution, which defines a property's value as the cost of acquiring an equally desirable substitute (assuming that no costly delay is incurred in making the substitution). Thus, the sales comparison approach can be used to form an opinion of a property's market value from the price at which equally desirable properties have sold, or for which they can be purchased, on the open market.

The following overview of the hotel investment market during recent industry investment cycles provides a context for the sales comparison approach.

The volume of hotel transactions and the price paid for individual assets are influenced by two principal factors: the availability of capital and the performance of the lodging sector as a whole. When high levels of leverage are available on favorable terms and the industry is performing well, investors are attracted to the market, and both prices and the number of transactions increase. These market conditions often induce sellers to put their properties on the market, further fueling the pace of transaction activity. Conversely, when the availability of capital declines and interest rates increase, both the pace of activity and pricing levels decrease. When these capital conditions coincide with a downturn in industry performance, the transaction market drops off significantly. In these market conditions, sellers are typically unwilling to put their properties on the market, electing to wait until market conditions improve. The impact of these influences results in a cyclical investment market, recording peaks and valleys in response to changes in the capital markets and the economy.

The following chart sets forth the dollar volume and number of U.S. hotel transactions by quarter since 2013, as reported by Real Capital Analytics. The blue bar graph represents the number of transactions, while the red line represents the dollar volume of transactions.

**FIGURE 10-1 U.S. HOTEL TRANSACTIONS BY QUARTER**

Source: Real Capital Analytics

The cyclical nature of the hospitality investment market is evident in the sales data. Driven by strong industry fundamentals and a favorable investment environment, transaction volume reached a peak for the prior cycle of almost \$51 billion in 2015. Total sales volume declined in 2016 and 2017 given a slowing economy, fewer hotels coming to market, and a gap that persisted between seller and buyer expectations. With investor sentiments buoyed by a more positive economic outlook in 2018, total transaction volume soared, increasing by 53.0% over 2017 levels; a significant increase in the number of portfolio sales and a greater number of large, high-priced, single-asset deals drove the volume gain. Total transaction volume retracted by 10.0% in 2019, as large portfolio transactions were limited and fewer high-priced, single-asset sales occurred; nevertheless, overall volume in 2019 was strong.

With the onset of the COVID-19 pandemic in early 2020, the transaction market came to a halt, and pending deals were either re-traded or abandoned. Limited sales activity resumed in Q3 2020. With the November announcement of a highly effective vaccine, transaction activity rose significantly during the first half of 2021, driven by the sale of Extended Stay America for over \$6 billion. This trend continued in the

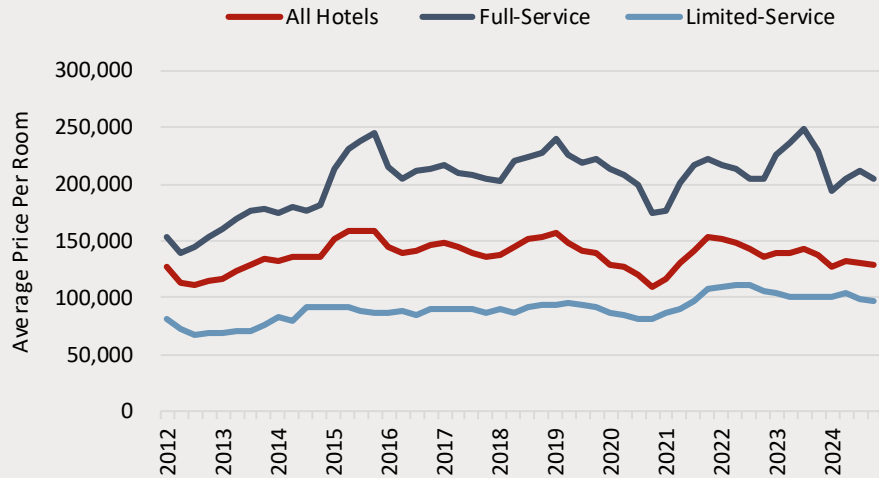
third and fourth quarters of that year, with volume reaching over \$10 and \$15 billion, respectively, as sales of larger, higher-priced assets started to pick up. Continued robust recovery trends, including the accelerating pace of both corporate and group travel, fostered an optimistic outlook for the industry in the first half of 2022. These conditions, combined with strong investor interest and the widespread availability of debt at historically low interest rates, led to a surge in transactions and increases in pricing during that period. Concerns about inflation and the economy, including the impact of the successive increases in the federal funds rate beginning in June, caused a modest pull-back in investment activity and pricing beginning mid-year 2022. Nevertheless, the total annual dollar volume and number of transactions exceeded 2021 levels.

Transaction activity slowed significantly in 2023 and early 2024 given the higher interest rates resulting from the successive increases by the Fed. At the same time, the bank failures in the first quarter of 2023, along with fears of a potential recession, induced a high level of caution among lenders for all commercial real estate. After several Fed rate adjustments and some cooling of inflation in the latter half of 2024, general rate stability is anticipated in 2025. Inflation remains above the Fed target of 2025, and there is a lack of clarity as to what effect the current administration's policies will ultimately have on the level of inflation. However, employment remains strong. These factors have resulted in optimistic expectations for the hotel investment sector in 2025. Furthermore, the pending maturity of a high volume of CMBS debt should induce some transaction activity in the coming months, although the cost and availability of debt may limit investor interest and options.

The following graph sets forth the average price per room for hotel transactions since 2012, as reported by Real Capital Analytics. The data reflect the rolling-twelve-month average by quarter, with the red line representing full-service transactions, the blue line representing sales of limited-service hotels, and the black line representing the average for all hotel transactions.<sup>14</sup>

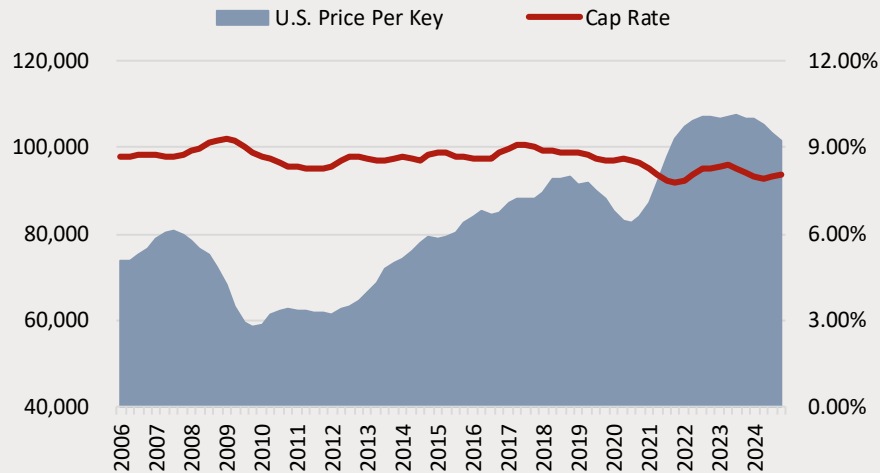
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<sup>14</sup> Real Capital Analytics individual and portfolio hotel transactions data

**FIGURE 10-2 AVERAGE TRANSACTION PRICE PER ROOM**

Source: RealCapital Analytics

In considering the previous chart, it is important to recognize that the data reflect the average price indicated by the sales that occurred during each period and thus are greatly influenced by the type, size, and price of hotels transacted. The indicated fluctuations in per-room hotel prices do not directly reflect the trends in hotel values, as the averages are influenced by the type of hotels and size of deals transacting at a given point in time. In recognition of the volatility of the data based on actual transactions, RCA has developed a Hedonic Series (RCA HS) to reflect the sales price of an average hotel room in a given period, as opposed to the average per-room price indicated by hotel sales.

**FIGURE 10-3 SALES PRICE OF AN AVERAGE HOTEL ROOM OVER TIME – RCA HEDONIC SERIES**

The historical pattern of transaction activity and pricing is recurring as the market emerges from the cycle induced by the COVID-19 pandemic. With so many investors looking for the higher yields offered by hotel assets, the pendulum initially swung to a seller's market. Sales of smaller, lower-priced assets, as well as leisure-oriented properties in drive-to destinations, rebounded most quickly. While hotels in some urban and gateway markets have been challenged by slower recovery, the opportunity to acquire assets in these high-barrier-to-entry markets continues to attract both U.S. and international investors that take a long-term view of ownership of these assets. Recently, higher debt costs and limited availability put downward pressure on pricing, with many sellers choosing not to enter the market given the current conditions. Over the long term, market activity is expected to rebound; however, the degree and time frame of the recovery will vary from asset to asset and from market to market.

#### Sales History of Subject

The subject property is currently owned by Wisconsin & Milwaukee Hotel LLC, which is based in Milwaukee. The subject property was built in 2013 at a total cost of approximately \$54,000,000. No transfers of the property have reportedly occurred since its construction. The hotel is neither listed nor under contract for sale, and we have no knowledge of any recent listings.

#### Review of Comparable Sales

We have searched our database to identify sales of hotels that are similar to the subject property in terms of location, market characteristics, facilities, and

operating profile. The transactions in the following table present sales involving hotels similar to the subject property in terms of location. The second table presents sales involving hotels similar to the subject property in terms of brand and/or operating profile.



**FIGURE 10-4 REVIEW OF PERTINENT TRANSACTIONS**

Property	Location	Sale Date	Price	Rooms	Price/Rm	Overall Cap	Year Opened
Hyatt Place Milwaukee Airport	Milwaukee, WI	Mar-25	\$7,750,000	99	\$78,283	2.7%	1988
Country Inn & Suites by Radisson Green Bay North	Green Bay, WI	Feb-25	3,500,000	63	55,556	—	2008
Hyatt Centric Minneapolis Downtown	Minneapolis, MN	Jan-25	11,600,000	154	75,325	—	2000
AC Hotel by Marriott Minneapolis Downtown	Minneapolis, MN	Nov-24	30,000,000	245	122,449	8.2%	2016
SpringHill Suites by Marriott Green Bay	Green Bay, WI	Sep-24	21,125,000	127	166,339	—	2007
Courtyard by Marriott Chicago O'Hare	Des Plaines, IL	Sep-24	20,250,000	180	112,500	—	1989
Hyatt House Chicago West Loop-Fulton Market	Chicago, IL	Aug-24	63,000,000	200	315,000	—	2019
Embassy Suites by Hilton Madison Downtown	Madison, WI	Jun-24	79,500,000	262	303,435	—	2024
Hotel Versey	Chicago, IL	May-24	24,000,000	137	175,182	6.9%	1988
Lofton Hotel	Minneapolis, MN	Feb-24	23,500,000	251	93,625	—	2003
Hampton by Hilton Milwaukee Northwest	Milwaukee, WI	Feb-24	5,650,000	107	52,804	—	1987
Peregrine Omaha Downtown Curio Collection by Hilton (The)	Omaha, NE	Dec-23	12,886,879	89	144,796	3.4%	1910
Moxy Omaha Downtown	Omaha, NE	Oct-23	21,350,000	113	188,938	—	2023
Hampton by Hilton Milwaukee Downtown	Milwaukee, WI	Oct-23	9,200,000	138	66,666	—	2000
Hyatt Regency Deerfield	Deerfield, IL	Sep-23	21,500,000	301	71,429	—	1988
Chicago Marriott Suites Deerfield	Deerfield, IL	Sep-23	6,660,000	248	26,855	—	1990
Marriott Minneapolis Southwest	Minnetonka, MN	Dec-22	23,600,000	321	73,520	—	1988
Hilton Rosemont Chicago O'Hare	Rosemont, IL	Dec-22	18,000,000	300	60,000	—	1987
Aloft Green Bay	Green Bay, WI	Dec-22	7,728,800	105	73,608	—	2009
Hotel Felix	Chicago, IL	Oct-22	28,550,000	228	125,219	3.0%	1926
DoubleTree by Hilton Neenah	Neenah, WI	Oct-22	13,000,000	107	121,495	—	1971
citizenM Chicago Downtown	Chicago, IL	Sep-22	74,686,000	280	266,736	—	2022
Sheraton Ann Arbor	Ann Arbor, MI	Sep-22	35,700,000	197	181,218	—	1981
Marriott Suites Downers Grove	Downers Grove (Chicago), IL	Aug-22	15,250,000	254	60,039	—	1989
Westin Chicago Northwest	Itasca, IL	Aug-22	34,000,000	381	89,239	1.9%	1980
Hilton Orrington Evanston	Evanston, IL	Aug-22	33,900,000	269	126,022	8.4%	1986
Sheraton Bloomington Hotel	Bloomington, MN	Jul-22	15,000,000	282	53,191	—	1975
Fairfield by Marriott Milwaukee Downtown	Milwaukee, WI	May-22	8,500,000	103	82,524	7.3%	1924
Hotel Ivy Minneapolis	Minneapolis, MN	Mar-22	30,750,000	136	226,103	—	2008
Holiday Inn Indianapolis Carmel	Indianapolis, IN	Mar-22	13,400,000	171	78,363	—	1990
Embassy Suites by Hilton Chicago Downtown	Chicago, IL	Mar-22	67,712,000	368	184,000	#REF!	1991
Hyatt Centric Chicago Magnificent Mile	Chicago, IL	Feb-22	67,500,000	419	161,098	#REF!	2011
L7 Chicago by Lotte	Chicago, IL	Jan-22	36,000,000	192	188,482	#REF!	1958
Emily Hotel	Chicago, IL	Dec-21	63,000,000	159	396,226	#REF!	2017
DoubleTree Suites by Hilton Minneapolis Downtown	Minneapolis, MN	Nov-21	27,370,000	229	119,520	—	1986
Westin Minneapolis	Minneapolis, MN	Oct-21	47,300,000	214	221,028	—	2007
Marquette Hotel Curio Collection by Hilton	Minneapolis, MN	Sep-21	60,650,000	281	215,836	5.8%	1972
Talbott Hotel Chicago Gold Coast	Chicago, IL	Sep-21	54,000,000	178	303,371	2.6%	1926
Thompson Chicago Hotel	Chicago, IL	Aug-21	72,400,000	247	293,117	—	1988

**FIGURE 10-5 REVIEW OF PERTINENT TRANSACTIONS (CONTINUED)**

Property	Location	Sale Date	Price	Rooms	Price/Rm	Overall Cap	Year Opened
Marriott Tysons Corner	Tysons Corner, VA	Jan-25	63,900,000	400	159,750	—	1981
Columbus Airport Marriott	Columbus, OH	Dec-24	10,750,000	230	46,739	—	1988
Cleveland Marriott East	Warrensville Heights, OH	Dec-24	28,500,000	298	95,638	—	2005
Marriott Austin North	Round Rock, TX	May-24	32,925,000	295	111,610	8.0%	2001
Marriott Research Triangle Park Durham	Durham, NC	Mar-24	32,000,000	225	142,222	9.1%	1988
Marriott Bridgewater	Bridgewater, NJ	Nov-23	25,948,695	349	74,352	18.6%	2002
Marriott Research Triangle Park Durham	Durham, NC	Nov-23	19,058,450	225	84,704	15.3%	1988
Crystal City Marriott at Reagan National Airport	Arlington, VA	Nov-23	80,000,000	347	230,548	—	1970
Marriott Dallas Fort Worth Westlake	Westlake, TX	Sep-23	17,500,000	294	59,524	—	1990
Chicago Marriott Suites Deerfield	Deerfield, IL	Sep-23	6,660,000	248	26,855	—	1990
Atlanta Marriott Peachtree Corners	Peachtree Corners, GA	Aug-23	19,500,000	222	87,838	9.1%	1988
Radisson Hotel Cedar Rapids	Cedar Rapids, IA	Jul-23	8,180,000	220	37,182	2.3%	1988
Detroit Marriott Southfield	Southfield, MI	Jun-23	8,850,000	226	39,159	—	1989
Marriott Rochester Airport	Rochester, NY	May-23	12,000,000	210	57,143	—	1979
Buffalo Marriott Niagara	Amherst, NY	Mar-23	14,433,000	356	40,542	—	1981
Marriott Saddle Brook	Saddle Brook, NJ	Mar-23	16,788,750	241	69,663	—	1966
Marriott New York East Side ***Closed***	New York, NY	Feb-23	154,000,000	655	235,115	—	1923
Marriott Minneapolis Southwest	Minnetonka, MN	Dec-22	23,600,000	321	73,520	—	1988
Houston Marriott West Loop by The Galleria	Houston, TX	Dec-22	26,187,000	301	87,000	—	1976
Marriott Fort Collins	Fort Collins, CO	Nov-22	39,500,000	229	172,489	—	1985
Marriott Suites Downers Grove	Downers Grove (Chicago), IL	Aug-22	15,250,000	254	60,039	—	1989
Seattle Marriott Redmond	Redmond, WA	Mar-22	28,500,000	262	108,779	—	2004
Pittsburgh Airport Marriott	Coraopolis, PA	Mar-22	30,196,800	318	94,958	—	1987
Marriott Winston Salem	Winston-Salem, NC	Mar-22	49,504,000	319	155,185	—	1984
Boston Marriott Quincy	Quincy, MA	Mar-22	88,000,000	464	189,655	—	2001
Marriott Denver Airport at Gateway Park	Aurora, CO	Mar-22	35,450,000	238	148,950	—	1998
Westchester Marriott	Tarrytown, NY	Mar-22	40,000,000	444	90,090	6.9%	1981

From these selected sales, we have chosen several primary transactions for further review and consideration in the development of an indication of value via this approach. These transactions are illustrated in the following table.

**FIGURE 10-6 SUMMARY OF SELECTED COMPARABLE SALES**

Property	Location	Sale Date	Price	Rooms	Price/Rm	Overall Cap	Year Opened
Hyatt Place Milwaukee Airport	Milwaukee, WI	Mar-25	7,750,000	99	78,283	2.7%	1988
AC Hotel by Marriott Minneapolis Downtown	Minneapolis, MN	Nov-24	30,000,000	245	122,449	8.2%	2016
SpringHill Suites by Marriott Green Bay	Green Bay, WI	Sep-24	21,125,000	127	166,339	—	2007
Embassy Suites by Hilton Madison Downtown	Madison, WI	Jun-24	79,500,000	262	303,435	—	2024

## MAP OF PRIMARY COMPARABLE SALES



Property	Location	Sale Date	Price	Rooms	Price/Rm
 Subject Property					
 Hyatt Place Milwaukee Airport	Milwaukee, WI	Mar-2025	7,750,000 USD	99	78,283 USD
 AC Hotel by Marriott Minneapolis Downtown	Minneapolis , MN	Nov-2024	30,000,000 USD	245	122,449 USD
 SpringHill Suites by Marriott Green Bay	Green Bay, WI	Sep-2024	21,125,000 USD	127	166,339 USD
 Embassy Suites by Hilton Madison Downtown	Madison, WI	Jun-2024	79,500,000 USD	262	303,435 USD

These sales are further detailed on the following pages.



**Sale #1**  
**Hyatt Place Milwaukee**  
**Airport**  
**Milwaukee, WI**  
**99 Rooms**

#### TRANSACTION DATA

Date of Sale:	March-25
Interest Conveyed:	Fee Simple
Buyer:	Artha MKE Hospitality LLC
Seller:	Manchester Suites Hotel LLP
Sales Price:	\$7,750,000
Price per Room:	\$78,283
Occupancy (TTM ending February 2025):	66%
Average Rate (TTM ending February 2025):	\$118
RevPAR (TTM ending February 2025):	\$78
Rooms Revenue Multiplier:	2.8
Reported Capitalization Rate:	2.7%
Source:	Broker

#### PROPERTY DATA

Year Opened:	1988
Property Class:	Upscale
Facilities:	# Stories: 4, # F&B Outlets: 2, Total SF Meeting Space: 977
Amenities:	Business Center, Airport/Local Shuttle, Indoor Swimming Pool, Indoor Whirlpool, Fitness Room, Market Pantry
Condition at Sale:	Good
Type of Location:	Airport

This property is a former AmeriSuites property constructed in 1988. Following the sale, the buyer anticipated completing a brand-mandated PIP, with an expected cost of \$20,000 per room.



**Sale #2**  
**AC Hotel by Marriott**  
**Minneapolis**  
**Downtown**  
**Minneapolis, MN**  
**245 Rooms**

#### TRANSACTION DATA

Date of Sale:	November-24
Interest Conveyed:	Fee Simple
Buyer:	DiamondRock Hospitality Co
Seller:	Mortenson Development
Sales Price:	\$30,000,000
Price per Room:	\$122,449
Occupancy (Jan 1, 2024 - Dec 31, 2024):	39.0%
Average Rate (Jan 1, 2024 - Dec 31, 2024):	\$136
RevPAR (Jan 1, 2024 - Dec 31, 2024):	\$53
Rooms Revenue Multiplier:	6.3
Reported Capitalization Rate:	8.2%
Source:	Real Capital Analytics; Buyer

#### PROPERTY DATA

Year Opened:	2016
Property Class:	Upscale
Facilities:	# Stories: 9, # F&B Outlets: 2, Total SF Meeting Space: 1,419
Amenities:	Fitness Room, Market Pantry, Coffee Station
Condition at Sale:	Good
Type of Location:	Downtown Core/CBD

This property is located along Hennepin Avenue in downtown Minneapolis, in close proximity to the theater district, Target Center, and Target Field. A change of ownership PIP was anticipated following the sale.



**Sale #3**  
**SpringHill Suites by**  
**Marriott Green Bay**  
**Green Bay, WI**  
**127 Rooms**

#### TRANSACTION DATA

Date of Sale:	September-24
Interest Conveyed:	Fee Simple
Buyer:	ACRE Holdings
Seller:	MCR
Sales Price:	\$21,125,000
Price per Room:	\$166,339
Occupancy (Jan 1, 2023 - Dec 31, 2023):	66.0%
Average Rate (Jan 1, 2023 - Dec 31, 2023):	\$150
RevPAR (Jan 1, 2023 - Dec 31, 2023):	\$99
Rooms Revenue Multiplier:	4.6
Reported Capitalization Rate:	Not Disclosed
Source:	Real Capital Analytics

#### PROPERTY DATA

Year Opened:	2007
Property Class:	Upscale
Facilities:	# Stories: 5, # F&B Outlets: 1, Total SF Meeting Space: 1,200
Amenities:	Guest Laundry Area, Indoor Swimming Pool, Indoor Whirlpool, Fitness Room, Lobby Workstation, Market Pantry
Condition at Sale:	Good
Type of Location:	Suburban

This property is located within 100 yards of Lambeau Field, home of the Green Bay Packers, and is adjacent to Resch Expo Center. Minor renovations were anticipated following the sale.





**Sale #4**  
**Embassy Suites by**  
**Hilton Madison**  
**Downtown**  
**Madison, WI**  
**262 Rooms**

#### TRANSACTION DATA

Date of Sale:	June-24
Interest Conveyed:	Fee Simple
Buyer:	Apple Hospitality REIT, Inc.
Seller:	M. A. Mortenson Company
Sales Price:	\$79,500,000
Price per Room:	\$303,435
Rooms Revenue Multiplier:	Not Available
Reported Capitalization Rate:	Not Disclosed
Source:	Buyer

#### PROPERTY DATA

Year Opened:	2024
Property Class:	Upscale
Facilities:	# Stories: 13, # F&B Outlets: 1, Total SF Meeting Space: 2,732
Amenities:	Business Center, Guest Laundry Area, Room Service, Gift Shop, Fitness Room
Condition at Sale:	Excellent
Type of Location:	Downtown Core/CBD

This property was purchased at a fixed price contract ahead of development, and the sale was closed upon completion of construction. The property is within walking distance of Monona Terrace Convention Center.

## Adjustment of Comparable Sales

The following table sets forth the adjustment grid used to account for differences between the transacted properties and the subject property.

**FIGURE 10-7 COMPARABLE SALES ADJUSTMENT GRID**

Elements of Comparison	Subject Property	<u>Sale #1</u>	<u>Sale #2</u>	<u>Sale #3</u>	<u>Sale #4</u>
		Hyatt Place Milwaukee Airport, Milwaukee, WI	AC Hotel by Marriott Minneapolis Downtown, Minneapolis, MN	SpringHill Suites by Marriott Green Bay, Green Bay, WI	Embassy Suites by Hilton Madison Downtown, Madison, WI
Sale Price		\$7,750,000	\$30,000,000	\$21,125,000	\$79,500,000
Number of Rooms	205	99	245	127	262
Price per Room		\$78,283	\$122,449	\$166,339	\$303,435
Year Open	2013	1988	2016	2007	2024
Date of Sale		March-25	November-24	September-24	June-24
<b>Adjustments for Transaction Characteristics (per Room)</b>					
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		0.0 %	0.0 %	0.0 %	0.0 %
Adjusted Sales Price		78,283	122,449	166,339	303,435
Financing Terms	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent
Adjustment		0.0 %	0.0 %	0.0 %	0.0 %
Adjusted Sales Price		78,283	122,449	166,339	303,435
Conditions of Sale	Normal	Normal	Normal	Normal	Normal
Adjustment		0.0 %	0.0 %	0.0 %	0.0 %
Adjusted Sales Price		78,283	122,449	166,339	303,435
Market Conditions	Similar	Similar	Similar	Similar	Similar
Adjustment		0.0 %	0.0 %	0.0 %	0.0 %
Adjusted Sales Price		78,283	122,449	166,339	303,435
Adjusted Price		\$78,283	\$122,449	\$166,339	\$303,435
<b>Adjustments for Property Characteristics</b>					
Location/Market/RevPAR	Inferior	Inferior	Inferior	Inferior	Similar
Adjustment	20.0 %	25.0 %	10.0 %	0.0 %	
Physical Condition/Facilities/Configuration	Inferior	Similar	Inferior	Superior	
Adjustment	20.0	0.0 %	5.0	(15.0) %	
Other Revenue Sources	Inferior	Inferior	Inferior	Similar	
Adjustment	15.0 %	10.0 %	15.0 %	0.0 %	
Cumulative Percentage Adjustment	55.0 %	35.0 %	30.0 %	(15.0) %	
Net Adjust. for Property Characteristics	43,056	42,857	49,902	(45,515)	
Adjusted Price Per Room		\$121,338	\$165,306	\$216,241	\$257,920
Less: Capital Expenditure		-13,200	-18,200	-28,200	-33,200
<b>Final Adjusted Price Per Room</b>		<b>\$108,000</b>	<b>\$147,000</b>	<b>\$188,000</b>	<b>\$225,000</b>

Given the complex nature of hotel assets, as well as the many variables within a hotel's operations, it is quite difficult to derive a specific numeric adjustment for an individual characteristic, and any adjustments extracted from sales are often distorted. As such, we have to rely partly on broader sets of data and our own experience when deriving adjustments. Comparable hotel sales are typically transacted less often and are spread over a wider geographical area than other commercial sectors, adding to the complexity of making quantitative adjustments.

**Transaction  
Characteristics  
Adjustments**

The comparable sales were transacted in terms that were similar to the subject property; thus, no other adjustments were made for differences in transaction characteristics.

**Property  
Characteristics  
Adjustments**

The adjustment for differences in location/market/RevPAR is intended to consider locational attributes that would influence the value of the hotel, inclusive of proximity to demand generators. Sales #1, #2, and #3 were adjusted upward as each of these markets were considered inferior to downtown Milwaukee, and supported by the RevPAR performance of the each of the assets at the time of sale. Adjustments for physical condition or facilities address differences in the condition of the property at the time of sale, the age of the property as of the date of sale, and/or the array of facilities available. Upward adjustments for physical condition/facilities were applied to Sales #1 and #3 given these assets' earlier dates of construction and aging physical plants, considered inferior to the subject property. Conversely, Sale #4 represented a superior, newly constructed asset, with guestrooms configured as suites; therefore, a downward adjustment was applied to that sale. Upward adjustments for other revenue sources were deemed applicable for Sales #1, #2, and #3 given limited revenue-generating departments, when compared to the subject property.

The above-discussed adjustments for physical condition address the age of the subject property and array of facilities and amenities, as compared to the selected sales. Adjustments must be made to recognize differences in the condition of the facilities. The subject property is currently in need of renovations in order to meet Marriott brand standards, and a \$6,800,000 renovation (\$33,500 per room) has been assumed. Sales #1, #2, and #3 were expected to undergo renovations that were less extensive and thus less expensive than those planned for the subject property. Sale #4 was new construction, and had no capital expenditures planned following the sale. To account for these differences, the sales prices have been adjusted by the net difference between the per-room renovation cost of the subject property and that of each of the comparable sales.

Prior to adjustments, the comparable sales transacted for amounts ranging from \$78,000 to \$303,000 per room. Following quantitative and qualitative adjustments, the selected sales indicate a range of \$108,000 to \$225,000 per room.

**Conclusion**

Based on our review of the adjusted sales, we have selected a per-key range of \$108,000 to \$225,000, which equates to a concluded value via the sales comparison approach of \$22,100,000 to \$46,100,000 for the 205-room subject property.

## 11. Cost Approach

Market value is determined via the cost approach by first estimating the market value of the subject land as if vacant and available for its highest and best use, and then adding the cost to construct the subject improvements. An entrepreneurial incentive is added to the cost (if appropriate) to derive an estimate of total cost as if new. Market participants tend to take into consideration the cost to develop a new hotel or motel with optimal physical and functional utility when forming their purchase decisions regarding existing properties. The principle of substitution, which is basic to the cost approach, affirms that no prudent investor would pay more for a property than the cost to acquire the site and construct comparable improvements without undue delay.

As addressed in prior sections of this report, the cost approach has limited utility in the valuation of existing hotels. The quantification of physical depreciation and external and incurable functional obsolescence is based on numerous adjustments. It is our experience that knowledgeable purchasers of complex hotel properties are more concerned with the economics of the investment. Therefore, the cost approach has little significance. In light of its minimal value and the difficulty in quantifying the varying sources of depreciation, we have not utilized the cost approach in estimating the value of the subject property. However, we have estimated the value of the hotel's personal property.

### Personal Property

In a hotel, the personal property comprises the portion of the overall FF&E that is not permanently affixed to the structure, primarily furniture and non-affixed equipment, as well as the inventories in place at the subject property as of the date of value. USPAP defines personal property as “identifiable tangible objects that are considered by the general public as being ‘personal’—for example, furnishings, artwork, antiques, gems and jewelry, collectibles, machinery, and equipment; all tangible property that is not classified as real estate.”<sup>15</sup>

Based on our review of hotel's FF&E replacement cost data provided by Jonathan Nehmer & Associates, as well as the *HVS Development Cost Survey*, we have estimated the per-room replacement cost of the hotel's FF&E to equal \$40,000 per room. Because FF&E includes items permanently affixed to the property, we have applied a percentage to the FF&E estimate to arrive at an estimate of the personal property. For the subject property, we have estimated the per-room replacement

<sup>15</sup> The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice*, 2020–2021 ed.

cost of the personal property at \$26,000, for a total of \$5,330,000, which is 65% of the estimated cost of the hotel's FF&E. This ratio is within the typical range of 65% to 80% of the total FF&E cost for a full-service hotel such as the subject property.

In accordance with USPAP, we have delineated the market value of the subject hotel's personal property. Most furnishings in a hotel can command little more than a salvage value substantially lower than the original cost when sold separately from the improvements. Personal property has been valued based on the depreciated replacement cost of the FF&E. Personal property is an integral part of a transient lodging facility.

The allocation of a portion of the overall hotel's value to the personal property is not explicitly considered by hotel investors in making their pricing decisions. Lodging facilities are usually sold with their personal property in place. In a transaction, any operating supplies or inventories are negotiated as part of the closing statement adjustments.

The following table sets forth a depreciation schedule for determining the current market value, or "value in exchange," of a hotel's FF&E. The subsequent table illustrates our estimate of the replacement cost new of the personal property component of FF&E and a depreciation estimate representing the average depreciation applicable to the entirety of a hotel's FF&E. For full-service hotels, personal property comprises 65% of the value of all FF&E.

**FIGURE 11-1 PERSONAL PROPERTY DEPRECIATION SCHEDULE**

<b>Average Age (Years)</b>	<b>Percent Depreciated</b>
1	10 %
2	20
3	30
4	40
5	50
6	60
7	70
8	80
9	90
10	99

Source: HVS



We have estimated the total replacement cost new, the depreciation, and the market value of the personal property component of the FF&E currently in place, as shown in the following table.

**FIGURE 11-2 PERSONAL PROPERTY VALUE OPINION**

	<u>As Is</u>
Replacement Cost Total FF&E Per Room	\$40,000
x Personal Property % of Total FF&E	65%
Replacement Cost New Per Room	\$26,000
Number of Rooms	<u>205</u>
Total Replacement Cost	\$5,330,000
Economic Life	10
Effective Age	9
Depreciation Factor	<u>90.0%</u>
Physical Depreciation	<u>\$4,797,000</u>
Value Remaining	\$533,000
Rounded	<b>\$530,000</b>

## 12. Reconciliation of Value Indications

The reconciliation, which is the last step in the appraisal process, involves summarizing and correlating the data and procedures employed throughout the analysis. The final value conclusion is arrived at after reviewing the estimates indicated by the income capitalization and sales comparison approaches. The relative significance, applicability, and defensibility of each indicated value are considered, and the greatest weight is given to that approach deemed most appropriate for the property being appraised.

The purpose of this report is to estimate the market value of the fee simple interest in the subject property; our appraisal involves a careful analysis of the property itself and the economic, demographic, political, physical, and environmental factors that influence real estate values.

### Income Capitalization Approach

To estimate the subject property's value via the income capitalization approach, we have analyzed the local market for transient accommodations, examined the competitive environment, projected the occupancy and ADR levels, and developed a forecast of revenue and expense that reflects anticipated income trends through a stabilized year of operation. Through a DCF analysis, the subject property's value was determined. We reconciled the value indication via the income capitalization approach to \$36,900,000, or \$180,000 per room.

Our nationwide experience indicates that the procedures used in estimating market value by the income capitalization approach are comparable to those employed by the hotel investors who constitute the marketplace. For this reason, we believe that the income capitalization approach produces the most supportable value estimate; thus, it has been given the greatest weight in our final estimate of the subject property's market value.

### Sales Comparison Approach

The sales comparison approach uses actual sales of similar properties to provide an indication of the subject property's value. Although we have investigated a number of sales in an attempt to develop a range of value indications, several adjustments are necessary to render these sales prices applicable to the subject property. The adjustments, which tend to be subjective, diminish the reliability of the sales comparison approach; furthermore, typical hotel investors employ a sales comparison procedure only to establish broad value parameters.

The hotel sales outlined earlier in this report indicate an adjusted value range of \$108,000 to \$225,000 per available room. The income capitalization approach

indicates a per-room value of \$180,000 (rounded). This information supports the value indicated by the income capitalization approach.

### Cost Approach

As discussed in the Cost Approach section, due to the practices of typical hotel buyers and sellers in today's market, the cost approach was not employed in arriving at an "as is" market value estimate. However, we note that the replacement cost for an asset is a factor that may be considered by hotel investors. The original construction cost of the hotel was reportedly \$54 million, which is approximately 46% higher than the estimated "as is" value of the property.

### Value Conclusion

Careful consideration has been given to the strengths and weaknesses of the three approaches to value discussed above. In recognition of the motivations of typical market participants, we have given primary weight to the value indicated by the income capitalization approach.

Based on our analysis, we have concluded to the following opinions of market value:

	As Is
Date of Value	April 29, 2025
Exposure Time (Months)	5 to 10
Real Property Value	\$36,370,000
Personal Property Value	530,000
Intangible Property Value	0
<b>Reconciled Value</b>	<b>\$36,900,000</b>
<b>Reconciled Value per Key</b>	<b>180,000</b>
Interest Appraised	Fee Simple

The "as is" value reflected assumes a total capital expenditure of \$6,800,000. In the event that the actual cost differs from the amount stated, the value of the subject property may change. It is assumed that the capital improvements will be completed in a competent and timely manner. The estimates of market value include the land, the improvements, and the FF&E. The appraisal assumes that the hotel is open and operational.

This appraisal is subject to the extraordinary assumption that a capital deduction will be required to fund a renovation of the subject property's guestrooms and public spaces. As a PIP has not been completed by Marriott, based on our industry knowledge and conversations with property management, we have estimated the areas in need of renovation and related costs; however, it is possible that the scope and renovation costs could vary from our estimate. The use of this extraordinary

assumption may have affected the assignment results. Moreover, several important general assumptions have been made that apply to this appraisal and our valuations of hotels in general. These items are set forth in the Assumptions and Limiting Conditions chapter of this report.

### Components of Value

USPAP requires the appraiser to “identify any personal property, trade fixtures, or intangible items that are not real property but are included in the appraisal” and “to analyze the effect on value of such non-real property items.”<sup>16</sup> The estimates of market value include the land, improvements, and personal property. The appraisal assumes that the hotel is open and operational.

Hotels comprise three primary components: the real property (land and improvements), personal property, and intangible property. Real property is defined as “the interests, benefits, and rights inherent in the ownership of real estate (land and improvements).”<sup>17</sup> Personal property is defined as “identifiable tangible objects that are considered by the general public as being ‘personal’—for example, furnishings, artwork, antiques, gems and jewelry, collectibles, machinery, and equipment; all tangible property that is not classified as real estate.”<sup>18</sup>

The personal property consists of the FF&E and the inventories in place at the subject property as of the date of value. Personal property is an integral part of a transient lodging facility. The allocation of a portion of the overall hotel’s value to the personal property is not explicitly considered by hotel investors in making their pricing decisions. Lodging facilities are usually sold with their personal property in place. In accordance with the USPAP, we have delineated the market value of the subject hotel’s personal property. Most furnishings in a hotel can command little more than a salvage value substantially lower than the original cost when sold separately from the improvements. Personal property has been valued based on its depreciated replacement cost.

USPAP defines intangible property as “nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment.”<sup>19</sup> All value attributable to the intangible property has been removed with the assumed expense of a management fee and a franchise fee in the valuation process.

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<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

Our concluded opinions regarding market value include the value of the real property (land and improvements) and the value of the personal property only, with the allocations shown in the previous table.

## 13. Statement of Assumptions and Limiting Conditions

1. This report was prepared during a period of significant uncertainty related to multiple changes in U.S. policies that have affected both the U.S. and global economies. Please see the Macro Considerations discussion in the Nature of the Assignment section for an overview of these issues and their impact. In preparing our findings, we have considered current market perspectives and information available as of the effective date of this report. Any subsequent change to these perspectives or information could affect the analysis presented herein.
2. This report is to be used in whole and not in part; furthermore, all statements of assumptions and limiting conditions apply to the entire report, including any additional forms or addenda items presented.
3. No responsibility is assumed for matters of a legal nature, nor do we render any opinion as to title, which is assumed marketable and free of any deed restrictions and easements; the property is valued as free and clear unless otherwise stated.
4. We assume that there are no hidden or unapparent conditions of the sub-soil or structures, such as underground storage tanks, that would render the property more or less valuable. No responsibility is assumed for these conditions or for any engineering that may be required to discover them.
5. We have not considered the presence of potentially hazardous materials such as asbestos, urea-formaldehyde foam insulation, any form of toxic waste, polychlorinated biphenyls (PCBs), pesticides, mold, or lead-based paints. We are not qualified to detect hazardous substances and urge the client to retain an expert in this field if desired.
6. The Americans with Disabilities Act (ADA) became effective on January 26, 1992. We have conducted no specific compliance survey to determine whether the subject property has been designed in accordance with the various detailed requirements of the ADA. It is possible that the design does not conform to the requirements of the act, and this could have an unfavorable effect on value. Because we have no direct evidence regarding this issue, our estimate of value does not consider possible non-compliance with the ADA.
7. We have made no survey of the property, and we assume no responsibility in connection with such matters. Sketches, photographs, maps, and other exhibits are included to assist the reader in visualizing the property. It is



assumed that the use of the described real estate is within the boundaries of the property described and that there is no encroachment or trespass unless noted.

8. All information, financial operating statements, estimates, and opinions obtained from parties not employed by TS Worldwide, LLC, are assumed true and correct. We can assume no liability resulting from misinformation.
9. Unless noted, we assume that there are no encroachments, zoning violations, or building violations encumbering the subject property.
10. The property is assumed to be in full compliance with all applicable federal, state, local, and private codes, laws, consents, licenses, and regulations (including the appropriate liquor license if applicable), and that all licenses, permits, certificates, franchises, and so forth can be freely renewed or transferred to a purchaser.
11. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless specified otherwise.
12. Transfer taxes are assessed in certain jurisdictions. In most cases, the payment of these taxes is determined between the seller and the buyer as a part of the negotiations (closing costs may also be negotiated). Thus, the sales price and other metrics indicated by the market data, such as capitalization and discount rates, reflect the impact of these factors. By considering market metrics, the influence of any transfer taxes or other closing costs has been incorporated in our estimate of market value.
13. None of this material may be reproduced in any form without our written permission, and the report cannot be disseminated to the public through advertising, public relations, news, sales, or other media.
14. We are not required to give testimony or attendance in court because of this analysis without previous arrangements and shall do so only when our standard per-diem fees and travel costs have been paid prior to the appearance.
15. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.
16. We take no responsibility for any events or circumstances that take place subsequent to either the date of value or the date of our field inspection, whichever occurs first.
17. The quality of a lodging facility's onsite management has a direct effect on a property's economic viability and value. The financial forecasts presented in this analysis assume responsible ownership and competent management.

Any departure from this assumption may have a significant impact on the projected operating results and the value estimate.

18. The financial analysis presented in this report is based upon assumptions, estimates, and evaluations of the market conditions in the local and national economy, which may be subject to sharp rises and declines. Over the projection period considered in our analysis, wages and other operating expenses may increase or decrease because of market volatility and economic forces outside the control of the hotel's management. We assume that the price of hotel rooms, food, beverages, and other sources of revenue to the hotel will be adjusted to offset any increases or decreases in related costs. We do not warrant that our estimates will be attained, but they have been developed based upon information obtained during the course of our market research and are intended to reflect the expectations of a typical hotel buyer as of the stated date(s) of valuation.
19. This analysis assumes continuation of all Internal Revenue Service tax code provisions as stated or interpreted on either the date of value or the date of our field inspection, whichever occurs first.
20. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out internally to many decimal places. In the interest of simplicity, most numbers have been rounded to the nearest tenth of a percent; thus, these figures may be subject to small rounding errors.
21. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client; the use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.
22. Although this analysis employs various mathematical calculations to provide value indications, the final estimate is subjective and may be influenced by our experience and other factors not specifically set forth in this report.
23. Any distribution of the total value between the land and improvements or between partial ownership interests applies only to the stated use. Moreover, separate allocations between components are not valid if this report is used in conjunction with any other analysis.
24. Our report has been prepared in accordance with, and is subject to, the requirements of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) and the Uniform Standards of Professional Practice (USPAP), as provided by the Appraisal Foundation.

25. This study was prepared by TS Worldwide, LLC. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by our staff as company employees, rather than as individuals.

## 14. Certification

The undersigned hereby certify that, to the best of our knowledge and belief:

1. the statements of fact presented in this report are true and correct;
2. the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
3. we have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;
4. we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. our engagement in this assignment was not contingent upon developing or reporting predetermined results;
6. our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
7. our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP);
8. Tanya J. Pierson, MAI inspected the subject property on April 29, 2025; Anne R. Lloyd-Jones, MAI, CRE assisted in reviewing the appraisal report;
9. no one other than those listed above and the undersigned prepared the analyses, conclusions, and opinions concerning the real estate that are set forth in this appraisal report;
10. Tanya J. Pierson, MAI has performed two appraisals on the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment; at the time of the engagement of this appraisal, Tanya J. Pierson, MAI was also completing an appraisal review report on the property that is the subject of this report;
11. the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code

of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute;

12. the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives; and
13. as of the date of this report, Tanya J. Pierson, MAI, has completed the continuing education program for Designated Members of the Appraisal Institute.



Tanya J. Pierson, MAI  
Senior Managing Director  
TS Worldwide, LLC  
Certified General Appraiser License (WI) 1121-10

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## Tanya Pierson, MAI

### EMPLOYMENT

<i>1994 to present</i>	HVS CONSULTING AND VALUATION SERVICES Minneapolis, Minnesota
<i>1993–1994</i>	TABLE MOUNTAIN INN Golden, Colorado
<i>1993</i>	RICHFIELD HOTEL MANAGEMENT Denver, Colorado
<i>1992–1993</i>	HOTEL BOULDERADO Boulder, Colorado
<i>1991</i>	CAESARS TAHOE Stateline, Nevada
<i>1990</i>	LA QUINTA MOTOR INN Denver, Colorado

### EDUCATION AND OTHER TRAINING

BSBA – Hotel, Restaurant and Tourism Management, University of Denver

*Certified General Appraiser Classes Completed:*

NCRE: 200 - Basic Appraisal Principles and Procedures

NCRE: 201 - Basic Appraisal Applications

NCRE: 208 - Standards and Ethics

NCRE: 203 - Small Residential Income Properties

NCRE: 211 - Certified Residential: Reporting,  
Reviewing, and Analyzing Appraisals

NCRE: 215 - Appraisal Principles and Advanced  
Applications

NCRE: 216 - Income Capitalization

NCRE: 219 - Commercial Case Studies



**EDUCATION AND OTHER  
TRAINING (CONTINUED)**
*Continuing Education Courses:*

Real Estate Finance  
 Course 400: National USPAP Update  
 Appraisal Loss Prevention Seminar  
 Market Valuation & Financial Considerations  
 Developing & Growing an Appraisal Practice  
 Capitalization Rate Models  
 Feasibility, Market Value & Investment Timing  
 Using Your HP12C  
 Small Hotel/Motel Valuation  
 Internet Search Strategies for Appraisers  
 Valuation of Detrimental Conditions in Real Estate  
 Analyzing Operating Expenses  
 What Commercial Clients Would Like Appraisers to Know  
 Course 550: Advanced Applications  
 Course 530: Advanced Sales Comparison and Cost Approach  
 Course 510: Advanced Income Capitalization  
 General Appraiser Market Analysis and HBU  
 Advanced Applications  
 Business Practices and Ethics  
 Report Writing  
 Risky Business: Ways to Minimize Your Liability  
 Mortgage Fraud – Protect Yourself  
 Perspectives from Commercial Review Appraisers  
 Ad Valorem Tax Consultation  
 Introduction to Legal Description  
 Fundamentals of Separating Real, Personal Property, and Intangible Business Assets  
 CA Law Class  
 Appraisal Applications of Regression Analysis  
 Land and Site Valuation  
 Appraisal of Assisted Living Facilities  
 Advanced Hotel Appraising - Full Service Hotels  
 Avoiding Mortgage Fraud for Appraisers  
 Expert Witness for Commercial Appraisers  
 Litigation Appraising - Specialized Topics  
 Appraisal of Land Subject to Ground Lease  
 Discounted Cash Flow  
 Forecasting Revenue  
 Small Hotel/Motel Valuation  
 Cool Tools  
 Sexual Harassment  
 Commercial Land Valuation  
 Intro to Expert Witness  
 Fair Housing Lending  
 That's a Violation  
 Intro to Commercial Appraiser Review  
 Market Disturbances

**EDUCATION AND OTHER  
TRAINING (CONTINUED)**

Business Practices and Ethics  
 Appraisal of Fast Food  
 Appraisal of REO  
 Basics of Expert Witness  
 Biennial USPAP Updates  
 Appraisal Institute Comprehensive Exam – Passed

**STATE CERTIFICATIONS**

Arizona, Colorado, Georgia, Illinois, Minnesota, New York, North Dakota, Ohio, Texas,  
 Wisconsin

**ARTICLES AND MENTIONS**

<i>HVS Journal</i>	"Minneapolis-St. Paul Hotel Market Moves Toward a New Normal," November 2024
<i>HVS Journal</i>	"The Minneapolis-St. Paul MSA: A Lagging Recovery," April 2023
<i>HVS Journal</i>	"Hotel Market Recovery – Minneapolis-St. Paul," April 2022
<i>HVS Journal</i>	"HVS Market Pulse - Minneapolis-St. Paul," February 2021
<i>HVS Journal</i>	"The Impact of COVID-19 on Hotel Values," April 2020
<i>HVS Journal</i>	"HVS Market Pulse: Minneapolis-St. Paul Lodging Market Perceptions," February 2020
<i>HVS Journal</i>	"HVS Market Pulse: Minneapolis – After the Super Bowl," co-authored with Justin Westad, February 2019
<i>HVS Journal</i>	"Market Pulse: Minneapolis - St. Paul, MN," co-authored with Justin Westad and Justin Kaminski, April 2017
<i>HVS Journal</i>	"HVS Perspectives: Center Stage at ALIS," co-authored with Kasia Russell and Jessica White, February 2017
<i>Twin Cities Business</i>	"Twin Cities Hotel Boom," November 2016 – <i>Mentioned</i>
<i>Twin Cities Business</i>	"Downtown Minneapolis' Hotel Boom," September 2016 – <i>Mentioned</i>
<i>HVS Journal</i>	"In Focus: Minneapolis, MN," July 2016
<i>HVS Journal</i>	"Seven Key Takeaways – ALIS Conference," February 2016
<i>Minneapolis/St. Paul Business Journal</i>	"Hospitality in 2016: After a record year, will occupancy dip?" January 2016 – <i>Mentioned</i>

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<i>Minneapolis/St. Paul Business Journal</i>	"Twin Cities Operators Are Bullish on 2016," January 2016 – <i>Mentioned</i>
<i>HVS Journal</i>	"In Focus: Minneapolis/St. Paul," December 2015
<i>HVS Journal</i>	"Five Key Takeaways – ALIS Conference The Americas Lodging Investment Summit," co-authored with Susan Furbay and Brett Russell, February 2015
<i>HVS Journal</i>	"Market Intelligence Report 2013: Minneapolis," August 2013
<i>HVS Journal</i>	"HVS Market Intelligence Report: Minneapolis, Minnesota," co-authored with Tess Federer, June 2012
<i>Minneapolis-St. Paul Business Journal</i>	"Grand Hotel for Sale as Wirth Tests the Waters," October 2, 2009
<i>Denver Business Journal</i>	"Seven Hotels Retain U.S. 36 Plans," October 3, 2008
<i>Missoulian</i>	"Foreclosure won't shutter Holiday Inn Parkside," March 25, 2005
<i>The Hotel Valuation Journal</i>	"Major U.S. Transactions-Mid-Year 2004," August 2004
<i>The Hotel Valuation Journal</i>	"Telecommunication Evolution and its Impact on the Hotel Industry," January 2003
<i>Colorado Real Estate Journal</i>	"US 36 Hotel Market Diversifies," April 18, 2001
<i>e-hospitality.com</i>	"Too Many Rooms: Lessons to Learn from Salt Lake City," August 8, 2000 – <i>Feature Article</i>
<i>The Hotel Valuation Journal</i>	"Why Hotel Markets Crash – Salt Lake City as a Blueprint," September 2000
<i>The Hotel Valuation Journal</i>	"From Lodging to Senior Housing – A Natural Trend?" September 1998
<i>The Hotel Valuation Journal</i>	"The South Pacific - Paradise Lost or Found?" June 1997

**CONFERENCE  
ENGAGEMENTS**

Speaker at Minnesota Association of Assessing Officers Summer Conference – May 2019

Speaker at Minnesota Association of Assessing Officers Fall Conference – September 2016

Panelist at WoodSpring Hotels Annual Conference – April 2016

Panelist at Hunter Hotel Investment Conference – March 2013

Panelist at the Lodging Conference – September 2010

HVS Valuation Summit, Minneapolis – June 2012, May 2013

*Minnesota Real Estate Journal*, Hotel & Hospitality Conference – September 2012

**EDITING AND LECTURE  
ASSIGNMENTS**

Guest Speaker, HRTM 3500: Lodging III - University of Denver – October 1999, February 2000, November 2000

Guest Speaker, TOM 3400: Hotel Management and Opportunities- University of Colorado – January 2004, September 2004

Guest Speaker, HRTM 4440: Hotel Asset Management – University of Denver – May 2004

Guest Speaker, Lodging Valuation – University of Denver – May 2007, May 2008, May 2009, May 2010

Contributing Editor, *Hotel Investments Handbook*, 1997

**PROFESSIONAL  
AFFILIATIONS**

Appraisal Institute – Designated Member (MAI)

Boulder, Colorado CVB – Advisory Board, 2008 – 2011

Eastern Carolina University – Hospitality Management Advisory Board, 2008 – 2011

University of Denver MBA Curriculum Review Committee, 2000

University of Denver Visiting Committee, 1997/98

University of Denver HRTM Society

Eta Sigma Delta

**EXAMPLES OF PROPERTIES APPRAISED OR EVALUATED****PORTFOLIO ANALYSIS**

Portfolio of 650 Extended StayAmerica Hotels, Various Locations  
 Portfolio of 365 La Quinta-Owned Hotels, Various Locations  
 Portfolio of 11 Boykin-Owned Hotels, Various Locations  
 Portfolio of 48 Hotels, Various Locations (Due Diligence)  
 Portfolio of 57 RFS-Owned Hotels, Various Locations  
 Portfolio of 34 Athletic Clubs Facilities, Various Locations  
 Portfolio of 13 Suburban Lodges, Various Locations  
 Portfolio of 21 Equity Inns Properties, Various Locations  
 Portfolio of 10 Marriott Properties, Various Locations  
 Portfolio of 6 Summerfield Suites, Various Locations  
 Portfolio of 5 Heart of America Properties, Various Locations  
 Multiple Portfolios of Summit-Owned Properties, Various Locations  
 Portfolio of 8 La Quinta Properties, Various Locations  
 Portfolio of 11 Real Estate Capital Partners-Owned Properties, California  
 Portfolio of 26 Summit-Owned Properties, Various Locations  
 Portfolio of 11 Tharaldson-Managed Properties, Various Locations  
 Portfolio of 5 LNR-Owned Properties, Various Locations  
 Multiple Portfolios of Highland-Owned Properties, Various Locations  
 Portfolio of 8 Hyatt Place Properties, Various Locations  
 Portfolio of 5 DoubleTree Hotels, Tennessee  
 Portfolio of 160 Tharaldson-Managed Properties, Various Locations

Portfolio of 28 Hotels for Citibank, Various Locations  
 Portfolio of 9 Suburban and Candlewood Hotels, Virginia and North Carolina  
 Portfolio of 99 Marriott and Hilton Hotels, Various Locations  
 Portfolio of 27 Hotels for Citibank, Various Locations  
 Portfolio of 56 Value Place Hotels, Various Locations  
 Portfolio of 5 Hampton Inn and Residence Inn Properties, Various Locations  
 Portfolio of 10 Limited- and Select-Service Hotels for Voya Investment Management, Various Locations  
 Portfolio of 6 Hotels for Summit, Various Locations  
 Portfolio of 15 Marriott and Hilton Hotels, Various Locations  
 Portfolio of 8 Hotels for Credit Suisse, Various Locations  
 Portfolio of 7 Hotels for Bank of America, Various Locations  
 Portfolio of 38 Hyatt Place & Hyatt House Hotels, Various Locations  
 Portfolio of 87 Marriott- and Hilton-Branded Hotels, Various Locations  
 Portfolio of 28 Marriott- and Hilton-Branded Hotels, Various Locations  
 Portfolio of 93 Limited- and Select-Service Hotels, Various Locations  
 Portfolio of 3 Hotels, El Reno, Oklahoma  
 Portfolio of 2 Hotels, Wichita, Kansas  
 Portfolio of 4 Hotels, Western U.S.  
 Portfolio of 8 TownePlace Suites Hotels, Various Locations  
 Portfolio of 22 Limited-Service or Extended-Stay Hotels, Various Locations  
 Portfolio of 89 Hotels for Tharaldson, Various Locations  
 Portfolio of 106 Motel 6 Hotels, Various Locations

Portfolio of 4 Hotels for Guggenheim Partners, Eastern U.S.  
 Portfolio of 7 Marriott- and Hilton-Branded Hotels, Northeastern U.S.  
 Portfolio of 12 Marriott- and Hilton-Branded Hotels, California, New Jersey, and Connecticut  
 Portfolio of 7 Hotels, North Dakota  
 Portfolio of 3 Hotels, Long Island City, NY  
 Portfolio of 2 Hotels, Rochester, MN  
 Portfolio of 19 Limited-Service Hotels, Georgia, Florida, and Indiana  
 Portfolio of 25 Hilton- and Marriott-Branded Hotels, Various Locations  
 Portfolio of 2 Hotels for Manulife  
 Portfolio of 2 Hilton-Branded Hotels, Minneapolis

**ALABAMA**

Proposed Hotel, Auburn  
 Hilton, Birmingham  
 Hilton Garden Inn Lakeshore, Birmingham  
 Hilton Garden Inn Liberty Park, Birmingham  
 Holiday Inn, Birmingham  
 Hyatt Place Birmingham Inverness, Birmingham  
 Marriott, Birmingham  
 Hampton Inn, Dothan  
 Holiday Inn, Dothan  
 Holiday Inn Express, Gadsden  
 Embassy Suites, Huntsville  
 Proposed 4-Star Hotel, Huntsville  
 Value Place, Huntsville  
 Value Place, Madison  
 Clarion Hotel, Mobile  
 Proposed USA Hotel, Mobile  
 Proposed Hotel, Montgomery  
 Holiday Inn Express Prattville South, Prattville  
 Proposed Hotel, Prattville  
 Holiday Inn, Sheffield

**ALASKA**

Hampton Inn, Anchorage

Holiday Inn, Anchorage  
 Marriott, Anchorage  
 Proposed Embassy Suites, Anchorage  
 Proposed Staybridge Suites,  
 Anchorage  
 Hampton Inn & Suites, Fairbanks  
 Proposed Candlewood Suites,  
 Fairbanks  
 Proposed Hampton Inn, Fairbanks  
 Westmark Baranoff Hotel, Juneau

#### ARIZONA

Carefree Resort, Carefree  
 Proposed Hampton Inn, Carefree  
 Courtyard by Marriott, Chandler  
 Hampton Inn, Chandler  
 Homewood Suites, Chandler  
 Proposed Home2 Suites, Chandler  
 Proposed Hotel Site, Chandler  
 AmeriSuites, Flagstaff  
 Courtyard by Marriott, Flagstaff  
 Embassy Suites, Flagstaff  
 Howard Johnson, Flagstaff  
 SpringHill Suites, Flagstaff  
 CopperWynd Resort and Club,  
 Fountain Hills  
 Gilbert Proposed Fairfield Inn & Suites,  
 Gilbert  
 Proposed Historic Downtown Glendale  
 Hotel, Glendale  
 Proposed Home2 Suites, Glendale  
 Proposed Hotel, Glendale  
 Renaissance, Glendale  
 Holiday Inn Express, Goodyear  
 Hampton Inn & Suites, Goodyear  
 Proposed Hotel Site, Goodyear  
 Hampton by Hilton Kayenta, Kayenta  
 Residence Inn by Marriott, Mesa  
 Proposed Hotel, Oro Valley  
 Proposed Hampton Inn & Suites, Page  
 Proposed Home2 Suites Payson,  
 Payson  
 Arizona Biltmore Resort & Spa,  
 Phoenix  
 Crowne Plaza, Phoenix  
 Embassy Suites, Phoenix  
 Fairfield Inn by Marriott, Phoenix

Hampton Inn, Phoenix  
 Holiday Inn West, Phoenix  
 Homewood Suites, Phoenix  
 Hyatt Place Phoenix North, Phoenix  
 Proposed Dual-Brand AC/Element,  
 Phoenix  
 Proposed Hampton Inn, Phoenix  
 Proposed Hotel Palomar, Phoenix  
 Proposed Hotel Site, Phoenix  
 Proposed Meritage Collection Hotel  
 Phoenix, Phoenix  
 Radisson, Phoenix  
 SpringHill Suites by Marriott Phoenix  
 North, Phoenix  
 Market Area Section, Phoenix/Tempe  
 Holiday Inn Express, Prescott  
 Comfort Suites Phoenix Scottsdale,  
 Scottsdale  
 DoubleTree Resort, Scottsdale  
 Hilton Resort, Scottsdale  
 Proposed Fairfield Suites by Marriott,  
 Scottsdale  
 Proposed Staybridge Suites, Scottsdale  
 Sanctuary on Camelback Mountain,  
 Scottsdale  
 Scottsdale Market Area Overview,  
 Scottsdale  
 TownePlace Suites by Marriott,  
 Scottsdale  
 L'Auberge de Sedona, Sedona  
 Hampton Inn, Sedona  
 Four Points Tempe (Conversion to  
 Moxy), Tempe  
 Proposed Residence Inn, Tempe  
 Wyndham Buttes Resort, Tempe  
 Embassy Suites Airport, Tucson  
 JW Marriott Starr Pass Resort, Tucson  
 Sheraton El Conquistador, Tucson  
 Proposed Comfort Suites, Tucson  
 Ramada Palo Verde, Tucson  
 Residence Inn by Marriott, Tucson  
 Motel 6 Williams West, Williams  
 Proposed La Quinta Yuma, Yuma

#### ARKANSAS

Four Points by Sheraton, Bakersfield  
 Courtyard by Marriott, Bentonville

Courtyard by Marriott, Fort Smith  
 Embassy Suites, Hot Springs  
 Fairfield Inn, Little Rock  
 Holiday Inn Presidential Conference  
 Center, Little Rock  
 Residence Inn by Marriott, Little Rock  
 Embassy Suites, Rogers  
 Proposed Marriott, West Little Rock

#### CALIFORNIA

Sheraton Disneyland, Anaheim  
 Embassy Suites, Arcadia  
 Proposed Hilton Garden, Arcadia  
 Proposed SpringHill Suites by  
 Marriott, Arcadia  
 W Aspen, Aspen  
 Claremont Resort & Spa, Berkeley  
 Radisson Hotel, Brisbane  
 Hampton Inn & Suites, Camarillo  
 Proposed Residence Inn by Marriott,  
 Carlsbad  
 Proposed Courtyard by Marriott,  
 Carlsbad  
 Courtyard by Marriott, Century City  
 DoubleTree Hotel, Commerce  
 Best Western Plus Dana Point Inn by  
 the Sea, Dana Point  
 Hardage Hotel, Emeryville  
 Staybridge Suites Sacramento Folsom,  
 Folsom  
 Courtyard by Marriott, Fresno  
 Piccadilly Airport Hotel, Fresno  
 Hampton Inn, Goleta  
 Holiday Inn Express, Hesperia  
 Clarion Roosevelt, Hollywood  
 La Quinta Resort & Club, La Quinta  
 Courtyard by Marriott, Livermore  
 Hotel D'Orsay, Long Beach  
 Four Points LAX, Los Angeles  
 Marriott LAX, Los Angeles  
 Proposed AC by Marriott Hotel, Los  
 Angeles  
 The Standard Hotel, Los Angeles  
 Beverly Heritage Hotel, Milpitas  
 Sheraton Hotel, Milpitas  
 DoubleTree Hotel, Mission Valley  
 Courtyard, Modesto

Silverado Resort, Napa  
 Residence Inn by Marriott Ontario  
 Airport, Ontario  
 Courtyard by Marriott, Oyster Point  
 Residence Inn by Marriott, Oyster  
 Point  
 Holiday Inn Express, Palm Desert  
 Homewood Suites, Palm Desert  
 Renaissance Hotel, Palm Springs  
 Four Points by Sheraton, Pleasanton  
 Sierra Suites, Pleasanton  
 Summerfield Suites by Wyndham,  
 Pleasanton  
 Wyndham Garden, Pleasanton  
 Hampton Inn & Suites, Poway  
 Hyatt Place Sacramento Rancho  
 Cordova, Rancho Cordova  
 Hilton Garden Inn Ontario Rancho  
 Cucamonga, Rancho Cucamonga  
 Homewood Suites, Rancho Cucamonga  
 Holiday Inn, Riverside  
 DoubleTree, Sacramento  
 Residence Inn by Marriott, Sacramento  
 Proposed Hotel, San Bernardino  
 DoubleTree, San Diego  
 Hardage Hotel, San Diego  
 Hilton Harbor Island, San Diego  
 Holiday Inn Mission Valley Stadium,  
 San Diego  
 Towne & Country Resort & Conference  
 Center, San Diego  
 Westin, San Diego  
 Wyndham Emerald Plaza, San Diego  
 Hilton Fisherman's Wharf, San  
 Francisco  
 Hyatt Regency San Francisco  
 Downtown SOMA, San Francisco  
 Proposed Le Meridien San Jose, San  
 Jose  
 Holiday Inn Express Fisherman's  
 Wharf, San Francisco  
 Hotel Rex, San Francisco  
 Courtyard by Marriott, San Luis  
 Obispo  
 TownePlace Suites by Marriott San  
 Jose Santa Clara, Santa Clara  
 Courtyard, Santa Rosa

Radisson Valley Center Hotel, Sherman  
 Oaks  
 Sonoma Valley Inn, Sonoma  
 Station House Inn South Lake Tahoe,  
 South Lake Tahoe  
 Four Points SFO, South San Francisco  
 Maple Tree Inn, Sunnyvale  
 Sheraton, Sunnyvale  
 Holiday Inn Express, Temecula  
 Courtyard by Marriott, Thousand Oaks  
 TownePlace Suites by Marriott,  
 Thousand Oaks  
 Residence Inn by Marriott, Torrance  
 Courtyard, Vacaville  
 Holiday Inn, Ventura  
 Ventura Beach Marriott, Ventura  
 Wyndham Bel Age, West Hollywood  
 Marriott Warner Center, Woodland  
 Hills

#### COLORADO

W Aspen, Aspen  
 Denver Marriott, Aurora  
 DoubleTree Denver Southeast, Aurora  
 Fairfield Inn & Suites by Marriott  
 Denver Aurora Southlands, Aurora  
 Hilton Garden Inn DIA, Aurora  
 Proposed Courtyard by Marriott,  
 Aurora  
 Proposed Residence Inn Gateway Park,  
 Aurora  
 Proposed Woolley Classic Suites,  
 Aurora  
 Sleep Inn, Aurora  
 Suburban Lodge, Aurora  
 Hyatt Regency Beaver Creek, Avon  
 Proposed Hotel, Avon  
 Proposed Timeshare, Avon  
 Ritz-Carlton Bachelor Gulch, Avon  
 Proposed TBD Hotel, Basalt  
 Alps Boulder Canyon Inn, Boulder  
 Clarion Harvest House, Boulder  
 Proposed Hotel  
 Renovation/Expansion, Boulder  
 Proposed Marriott, Boulder  
 Proposed St. Julien Hotel, Boulder

DoubleTree by Hilton Breckenridge,  
 Breckenridge  
 Aloft Arista, Broomfield  
 Interlocken Club & Spa, Broomfield  
 Omni Interlocken Resort, Broomfield  
 Proposed Interlocken Resort,  
 Broomfield  
 Proposed NYLO, Broomfield  
 Proposed Summerfield Suites,  
 Broomfield  
 Proposed Aloft, Broomfield  
 Proposed Holiday Inn, Clifton  
 Academy Hotel, Colorado Springs  
 Best Western Academy, Colorado  
 Springs  
 DoubleTree, Colorado Springs  
 DoubleTree by Hilton World Arena,  
 Colorado Springs  
 Embassy Suites, Colorado Springs  
 Hampton Inn, Colorado Springs  
 Holiday Inn Colorado Springs Airport,  
 Colorado Springs  
 Holiday Inn Express, Colorado Springs  
 Homewood Suites, Colorado Springs  
 Proposed Brighton Gardens, Colorado  
 Springs  
 Proposed Homewood Suites by Hilton,  
 Colorado Springs  
 Proposed Hotel, Colorado Springs  
 Proposed Mining Exchange Hotel,  
 Colorado Springs  
 Radisson, Colorado Springs  
 WoodSpring Suites, Colorado Springs  
 Holiday Inn, Craig  
 Grande Butte Hotel, Crested Butte  
 Irwin Mountain Lodge, Crested Butte  
 MountainLair Hotel, Crested Butte  
 Sheraton Hotel, Crested Butte  
 Imperial Hotel & Casino, Cripple Creek  
 Clayton Membership Club & Hotel,  
 Denver  
 Colorado Athletic Club Downtown,  
 Denver  
 Colorado Athletic Club Leetsdale,  
 Denver  
 Courtyard by Marriott, Denver  
 DoubleTree DTC, Denver



Embassy Suites, Denver	Proposed Courtyard by Marriott, Englewood	Colorado Athletic Club DTC, Greenwood Village
Four Points by Sheraton, Denver	Proposed Residence Inn by Marriott, Englewood	Greenwood Athletic Club, Greenwood Village
Hampton Inn, Denver	Residence Inn by Marriott, Englewood	Proposed Westin Hotel, Greenwood Village
Hampton Inn DIA, Denver	Sheraton Denver Tech Center, Englewood	AmericInn, Lakewood
Hampton Inn & Suites, Denver	Summerfield Suites by Wyndham, Englewood	Hampton Inn, Lakewood
Hilton DTC, Denver	The Stanley Hotel, Estes Park	Proposed Brighton Gardens, Lakewood
Hilton Garden Inn Downtown, Denver	Comfort Suites Golden West on Evergreen Parkway, Evergreen	Sheraton Denver West, Lakewood
Holiday Inn Central, Denver	Courtyard by Marriott, Fort Collins	Holiday Inn Express, Littleton
Holiday Inn Express, Denver International Airport	Homewood Suites, Fort Collins	Proposed Residence Inn, Littleton
JW Marriott, Denver	Marriott, Fort Collins,	Proposed Staybridge Suites, Littleton
Proposed AC by Marriott, Denver	Residence Inn by Marriott, Fort Collins	Element Hotel, Lone Tree
Proposed Best Western Plus Gateway Park, Denver	Holiday Inn, Frisco	Proposed Hotel, Longmont
Proposed Boutique Hotel – Sloan Lake, Denver	Hampton Inn & Suites, Glendale	Raintree Plaza, Longmont
Proposed Cherry Creek Hotel, Denver	Staybridge Suites, Glendale	Comfort Inn, Louisville
Proposed Denver Athletic Club Hotel, Denver	Courtyard by Marriott, Glenwood Springs	Courtyard by Marriott, Louisville
Proposed Executive Tower Hotel, Denver	Residence Inn by Marriott, Glenwood Springs	Proposed Residence Inn by Marriott, Louisville
Proposed Full-Service Hotel, Denver	Fairfield Inn/AmericInn, Golden	Hampton Inn, Louisville
Proposed Hilton Garden Inn, Denver	Golden Hotel, Golden	Embassy Suites, Loveland
Proposed Hotel at DU, Denver	Hampton Inn, Golden	Fairfield Inn by Marriott, Loveland
Proposed JW Marriott Hotel, Denver	Proposed Holiday Inn Express, Golden	My Place Hotel Loveland, Loveland
Proposed Limited-Service DTC Hotel, Denver	Ramada Inn Denver West, Golden	Rock 'N River Property, Lyons
Proposed Metro State Hotel, Denver	Proposed Residence Inn by Marriott, Golden	Holiday Inn Express, Montrose
Proposed Residence Inn by Marriott, Denver	Proposed Courtyard by Marriott, Golden	Ramada Limited, Northglenn
Proposed Union Station Hotel, Denver	Table Mountain Inn, Golden	Hampton Inn, Parker
Ritz-Carlton Downtown, Denver	Adams Mark, Grand Junction	Marriott Convention Center, Pueblo
Wyndham DTC, Denver	Comfort Inn, Grand Junction	Proposed Holiday Inn Express, Sterling
Days Inn, Denver International Airport	Hilton Hotel, Grand Junction	Proposed Hilton Garden Inn, Superior
Ramada Limited, Denver International Airport	Proposed Candlewood Suites, Grand Junction	Proposed Hotel, Superior
Proposed Sheraton, Denver International Airport	Proposed Courtyard by Marriott, Grand Junction	Madeline Hotel & Residences, Auberge Resorts Collection, Telluride
Proposed Jackson Creek Ranch, Douglas County	Proposed Hampton Inn, Grand Junction	Proposed Westin, Telluride
Holiday Inn & Suites, Durango	Proposed Holiday Inn, Grand Junction	Peaks at Telluride, Telluride
Proposed Holiday Inn, Durango	Proposed Residence Inn by Marriott, Grand Junction	The Owners Club, Telluride
AmericInn, Eagle	Proposed Hotel, Grand Junction	Rosewood Resort, Telluride
24 Hour Fitness, Englewood		Radisson Graystone Castle, Thornton
Colorado Athletic Club Inverness, Englewood		Chateau Vail, Vail
Courtyard by Marriott, Englewood		Lodge at Vail, Vail
		Vail Village Inn, Vail
		Proposed Vail Plaza, Vail
		Proposed Four Seasons, Vail
		Vail Cascade Hotel & Club, Vail

Courtyard by Marriott Denver North  
Westminster, Westminster  
Proposed Bradford Homesuites,  
Westminster  
Proposed Comfort Suites, Westminster  
Proposed Hyatt Place, Westminster  
Proposed SpringHill Suites by  
Marriott, Westminster  
Proposed Westin, Westminster  
Westin Hotel, Westminster  
Proposed Hampton by Hilton Wheat  
Ridge, Wheat Ridge  
Proposed Limited-Service Hotel,  
Woodland Park  
Proposed Select-Service Hotel,  
Woodland Park

#### CONNECTICUT

Radisson, Enfield  
Holiday Inn, East Hartford  
Courtyard by Marriott, Orange  
DoubleTree Hotel, Windsor Locks  
Marriott Airport, Windsor

#### DELAWARE

Fairfield by Marriott Wilmington New  
Castle, New Castle  
Residence Inn by Marriott, Wilmington

#### DISTRICT OF COLUMBIA

Holiday Inn Express Washington D.C.  
Downtown  
Kimpton Banneker Hotel  
Proposed Embassy Suites  
Proposed Holiday Inn Express  
Washington  
Proposed Residence Inn - Navy Yards

#### FLORIDA

TownePlace Suites by Marriott  
Orlando Altamonte  
Springs/Maitland, Altamonte  
Springs  
Proposed WoodSpring Suites, Belle  
Isle  
Boca Athletic Club, Boca Raton

Proposed Extended Stay America  
Bradenton, Bradenton  
Fairfield Inn by Marriott, Brandon  
Courtyard by Marriott, Brandon  
Mayfair House, Coconut Grove  
Holiday Inn, Coral Gables  
Hyatt, Coral Gables  
Residence Inn by Marriott Sandestin  
Grand Boulevard, Destin  
DoubleTree Hotel, Fort Lauderdale  
DoubleTree Guest Suites, Fort  
Lauderdale  
Hampton Inn, Fort Lauderdale  
Tru by Hilton Fort Lauderdale Airport  
& Cruise Port, Fort Lauderdale  
Marriott Sanibel Harbour Resort, Fort  
Myers  
Sanibel Harbour Resort & Spa, Ft.  
Myers  
Vacant Land, Fort Myers  
Holiday Inn, Fort Pierce  
Aloft, Jacksonville  
Hampton Inn, Jacksonville  
Holiday Inn Sunspree, Jacksonville  
Beach  
Proposed Aloft, Jacksonville  
Residence Inn by Marriott, Jacksonville  
Westin, Key Largo  
Courtyard by Marriott, Key West  
Holiday Inn, Key West  
Super 8, Lantana  
Hilton Walt Disney Work, Lake Buena  
Vista  
Sheraton, Maitland  
Holiday Inn, Melbourne  
Doral Golf Resort & Spa, Miami  
DoubleTree Club Hotel, Miami  
Hilton Garden Inn Miami Airport,  
Miami  
Hilton Miami Downtown, Miami  
Homewood Suites Miami Airport,  
Miami  
Proposed Aloft South Beach, Miami  
TownePlace Suites by Marriott, Miami  
Summerfield Suites by Wyndham,  
Miami  
Grand Beach Hotel, Miami Beach

TownePlace Suites by Marriott, Miami  
Lakes  
Courtyard by Marriott Sandestin at  
Grand Boulevard, Miramar Beach  
Proposed Hilton, Naples  
Proposed Residence Inn by Marriott,  
Naples  
DoubleTree Orlando at SeaWorld,  
Orlando  
Holiday Inn & Suites Across From  
Universal Orlando, Orlando  
Hyatt Place Convention Center,  
Orlando  
Hyatt Place Universal, Orlando  
Residence Inn by Marriott, Orlando  
Residence Inn by Marriott Orlando at  
Sea World, Orlando  
Radisson Parkway Resort, Orlando  
Tru by Hilton Orlando Convention  
Center Area, Orlando  
Holiday Inn Express, Pensacola  
Holiday Inn University Mall, Pensacola  
Hampton Inn, Pensacola  
Sheraton Suites, Plantation  
Hyatt Regency, Sarasota  
SpringHill Suites by Marriott, Sarasota  
Proposed Radisson Hotel, Tallahassee  
Hampton by Hilton Tampa Riverview  
Brandon, Tampa  
Hampton Inn Ybor City, Tampa  
Harbour Island Athletic Club, Tampa  
Holiday Inn Express Hotel & Suites,  
Tampa  
Crowne Plaza, West Palm Beach  
Residence Inn by Marriott, West Palm  
Beach  
Sheraton, West Palm Beach  
Holiday Inn, Winter Haven

#### GEORGIA

Hampton Inn, Alpharetta  
Marriott, Alpharetta  
Residence Inn by Marriott, Alpharetta  
Courtyard by Marriott, Atlanta  
Courtyard Vinings, Atlanta  
Crowne Plaza Ravinia, Atlanta  
Days Inn, Atlanta

DoubleTree Guest Suites, Atlanta  
 Four Seasons Atlanta, Atlanta  
 Georgian Terrace, Atlanta  
 Hilton Suites Perimeter, Atlanta  
 Hyatt Place Airport, Atlanta  
 Marriott Hotel, Atlanta  
 Northeast Athletic Club, Atlanta  
 Atlanta Marriott Peachtree Corners,  
 Peachtree Corners  
 Residence Inn by Marriott, Atlanta  
 Ritz-Carlton Downtown, Atlanta  
 Sheraton Colony Square, Atlanta  
 Sheraton Downtown, Atlanta  
 Westin Perimeter North, Atlanta  
 Wyndham Vining Inn, Atlanta  
 Days Inn Downtown, Augusta  
 Fairfield Inn by Marriott, Augusta  
 Holiday Inn Gordon Hwy, Augusta  
 Holiday Inn West, Augusta  
 Holiday Inn, Brunswick  
 Courtyard by Marriott, Buckhead  
 Residence Inn by Marriott, Buckhead  
 Sierra Suites, Buckhead  
 Hampton Inn, Buford  
 SpringHill Suites, Buford  
 Hilton Garden Inn, Duluth  
 Holiday Inn Gwinnett Center, Duluth  
 Proposed Holiday Inn Express, Duluth  
 Proposed Hotel, Duluth  
 Residence Inn by Marriott, Duluth  
 Hyatt Place Atlanta Airport, East Point  
 Best Western Plus Fairburn Atlanta  
 Southwest, Fairburn  
 Residence Inn by Marriott, Gwinnett  
 Holiday Inn, Jekyll Island  
 Fairfield Inn, Kennesaw  
 SpringHill Suites, Kennesaw  
 Emerald Pointe Resort, Lake Lanier  
 Islands  
 SpringHill Suites, Lithia Springs  
 Comfort Inn, Marietta  
 Holiday Inn & Suites, Marietta  
 Hyatt Regency, Marietta  
 Wyndham Peachtree Center,  
 Peachtree City  
 Courtyard by Marriott, Savannah  
 Hyatt Regency, Savannah

Radisson Hotel, Savannah  
 Westin, Savannah  
 Holiday Inn, Valdosta  
 Fairfield Inn by Marriott, Valdosta  
 Ramada Inn, Warner Robins

#### **HAWAII**

Fairmont Orchid, Big Island  
 Ritz-Carlton Kapalua, Maui  
 Royal Hawaiian, Oahu  
 Sheraton Moana Surfrider, Oahu  
 Sheraton Princess, Oahu

#### **IDAHO**

DoubleTree Hotel, Boise  
 Holiday Inn, Boise  
 Red Lion Downtowner, Boise  
 Proposed Cambria Suites, Boise  
 Red Lion Riverside, Boise  
 Shilo Inn, Boise  
 SpringHill Suites, Boise  
 The Grove Hotel, Boise  
 Holiday Inn Express, Coeur d'Alene  
 Proposed Staybridge Suites Idaho  
 Falls, Idaho Falls  
 Shilo Inn, Idaho Falls  
 Proposed Resort, McCall  
 Home2 Suites by Hilton Pocatello,  
 Pocatello  
 Proposed Home2 Suites by Hilton,  
 Pocatello  
 AmericInn, Twin Falls

#### **ILLINOIS**

Holiday Inn, Arlington Heights  
 Sheraton Chicago Northwest,  
 Arlington Heights  
 Courtyard by Marriott, Bedford Park  
 Fairfield Inn by Marriott, Bedford Park  
 Holiday Inn Express, Bedford Park  
 Proposed Holiday Inn Select, Bedford  
 Park  
 Hampton Inn, Bloomington  
 Proposed Hyatt Place, Bloomington  
 Proposed JW Marriott, Bloomington  
 Holiday Inn & Suites Bolingbrook,  
 Bolingbrook

SpringHill Suites, Burr Ridge  
 Crowne Plaza Avenue Hotel & Office  
 Building, Chicago  
 DoubleTree by Hilton Hotel Chicago  
 Magnificent Mile, Chicago  
 Hilton Suites, Chicago  
 Hyatt Printers Row, Chicago  
 Proposed Hampton Inn Loyola,  
 Chicago  
 Proposed Holiday Inn Express, Chicago  
 Ritz Carlton, Chicago  
 Sheraton Hotel & Towers, Chicago  
 Talbott Hotel Chicago Gold Coast,  
 Chicago  
 Wyndham NW, Chicago  
 Holiday Inn, Crystal Lake  
 DoubleTree Club Hotel, Des Plaines  
 Holiday Inn, Downers Grove  
 Embassy Suites, East Peoria  
 Proposed Staybridge Suites by Holiday  
 Inn, Elgin  
 SpringHill Suites, Elmhurst  
 Fairfield Inn by Marriott, Forsyth  
 Holiday Inn, Glen Ellyn  
 DoubleTree Hotel, Glenview  
 Fairfield Inn by Marriott, Glenview  
 Proposed Hotel, Gurnee  
 Hyatt Place, Hoffman Estates  
 Marriott Northwest, Hoffman Estates  
 Holiday Inn, Itasca  
 Wyndham NW Chicago, Itasca  
 SpringHill Suites by Marriott Chicago  
 Lincolnshire, Lincolnshire  
 Wyndham, Lisle  
 Wyndham Garden, Naperville  
 Marriott, Normal  
 Proposed Radisson, Normal  
 Proposed Hotel, Peoria  
 Holiday Inn, Rolling Meadows  
 Proposed Radisson Hotel, Schaumburg  
 Wyndham Garden, Schaumburg  
 DoubleTree Hotel, Skokie  
 Proposed Residence Inn, Wilmette  
 Wyndham Garden, Wood Dale

**INDIANA**

Holiday Inn, Bloomington

Hyatt Place, Bloomington  
 Proposed Residence Inn by Marriott,  
 Bloomington  
 Proposed Staybridge Suites, Carmel  
 Renaissance, Carmel  
 Residence Inn by Marriott, Fishers  
 Courtyard by Marriott Downtown,  
 Fort Wayne  
 Hilton, Fort Wayne  
 Holiday Inn, Fort Wayne  
 Proposed Courtyard, Fort Wayne  
 Proposed Hotel, Fort Wayne  
 Staybridge Suites by Holiday Inn, Fort  
 Wayne  
 French Lick Resort, French Lick  
 AmeriSuites, Indianapolis  
 Fairfield Inn by Marriott, Indianapolis  
 Hampton Inn, Indianapolis  
 Hyatt Regency, Indianapolis  
 Proposed Boutique Hotel, Indianapolis  
 Proposed Canopy Hotel, Indianapolis  
 Proposed Convention Hotel,  
 Indianapolis  
 Proposed Independent Hotel,  
 Indianapolis  
 Proposed InterContinental  
 Indianapolis Downtown,  
 Indianapolis  
 Residence Inn by Marriott,  
 Indianapolis  
 Proposed Hampton Inn, Lawrenceburg  
 Residence Inn by Marriott, Merrillville  
 Proposed Home2 Suites, Mishawaka  
 Proposed SpringHill Suites by  
 Marriott, Munster  
 Proposed Potato Creek Inn, North  
 Liberty  
 Proposed Casino, Paxton  
 Knights Inn, Seymour  
 Century Center Convention Complex,  
 South Bend  
 Proposed Fairfield Inn, South Bend  
 Proposed Valparaiso Hotel, Valparaiso  
 Hilton Garden Inn Wabash Landing,  
 West Lafayette  
 Proposed Prophetstown Inn, West  
 Lafayette

#### IDAHO

Proposed Staybridge Suites Idaho  
 Falls, Idaho Falls  
 Hampton Inn & Suites, Pocatello

#### IOWA

Crowne Plaza, Cedar Rapids  
 Hampton Inn, Cedar Rapids  
 Wildwood Lodge, Clive  
 Best Western Metro, Council Bluffs  
 Proposed Candlewood Suites,  
 Davenport  
 Comfort Suites, Des Moines  
 Country Inn & Suites, Des Moines  
 Hampton by Hilton Des Moines  
 Airport, Des Moines  
 Proposed 2525 Grand, Des Moines  
 Proposed Boutique Hotel, Des Moines  
 Proposed Courtyard by Marriott, Des  
 Moines  
 Proposed Holiday Inn Express, Des  
 Moines  
 Proposed Hotel, Des Moines  
 Savery Hotel, Des Moines  
 Sleep Inn, Des Moines  
 Surety Hotel Des Moines, Des Moines  
 Four Points, West Des Moines  
 Proposed Indianola Limited-Service  
 Hotel, Indianola  
 Sheraton, Iowa City  
 Proposed SpringHill Suites, Ottumwa  
 Courtyard by Marriott Sioux City  
 Downtown Convention Center, Sioux  
 City

#### KANSAS

Holiday Inn Express, Hays  
 Courtyard by Marriott, Junction City  
 Holiday Inn, Lawrence  
 Proposed Hotel, Lawrence  
 Proposed MainStay Suites, Lawrence  
 Proposed Candlewood Suites, Lenexa  
 Proposed Holiday Inn Express, Lenexa  
 Holiday Inn, Manhattan  
 Comfort Suites, Olathe  
 AmeriSuites, Overland Park

Courtyard by Marriott Kansas City  
 Overland Park Convention Center,  
 Overland Park  
 Hampton Inn, Overland Park  
 Homewood Suites, Overland Park  
 Proposed Hampton Inn, Overland Park  
 Proposed Staybridge Suites, Overland  
 Park  
 AmericInn, Salina  
 Holiday Inn, Wichita  
 Proposed Hotel – Bowllagio, Wichita  
 Proposed Downtown Hotel, Wichita  
 Proposed Hotel – Greenwich, Wichita  
 Proposed Hotel – Southfork, Wichita

#### KENTUCKY

Holiday Inn Riverfront, Covington  
 Courtyard by Marriott, Florence  
 Marriott Airport, Hebron  
 Embassy Suites, Lexington  
 Marriott Lexington Griffin Gate Resort  
 & Spa, Lexington  
 Aloft Louisville Downtown, Louisville  
 Hilton Garden Inn Northeast,  
 Louisville  
 Holiday Inn, Louisville  
 Homewood Suites by Hilton Louisville  
 Downtown, Louisville  
 Proposed Aloft Hotel, Louisville  
 Proposed Homewood Suites by Hilton,  
 Louisville  
 Proposed WoodSpring Suites,  
 Louisville  
 Radisson, Louisville  
 Courtyard by Marriott, Paducah  
 Super 8, Prestonburg

#### LOUISIANA

Comfort Inn, Baton Rouge  
 Fairfield Inn by Marriott, Baton Rouge  
 SpringHill Suites by Marriott, Baton  
 Rouge  
 TownePlace Suites by Marriott, Baton  
 Rouge  
 Residence Inn by Marriott Shreveport-  
 Bossier City/Downtown, Bossier  
 City

TownePlace Suites by Marriott  
Shreveport-Bossier City, Bossier City  
Courtyard by Marriott, Lafayette  
Holiday Inn, Lafayette  
Courtyard by Marriott, Metairie  
Quality Inn, Metairie  
Residence Inn by Marriott, Metairie  
Astor Crowne Plaza, New Orleans  
Bourbon Orleans, New Orleans  
Courtyard Convention Center, New Orleans  
Crowne Plaza, New Orleans  
Hyatt Regency, New Orleans  
Maison DuPuy, New Orleans  
Radisson, New Orleans  
SpringHill Suites Convention Center, New Orleans  
SpringHill Suites by Marriott New Orleans Downtown, New Orleans  
Wingate Inn, Sulphur

#### MARYLAND

Marriott, Annapolis  
DoubleTree by Hilton, Annapolis  
Radisson, Annapolis  
Brookshire Suites, Baltimore  
Homewood Suites/Hilton Garden Inn Inner Harbor, Baltimore  
Proposed Extended-Stay Hotel, Baltimore  
Proposed Staybridge Suites, Baltimore  
Wyndham Inner Harbor Hotel, Baltimore  
Bel Air Athletic Club, Bel Air  
Holiday Inn, Belmont  
Residence Inn by Marriott, Bethesda  
Hilton, Columbia  
Holiday Inn, Cromwell Bridge  
Holiday Inn, Frederick  
Summerfield Suites by Wyndham, Gaithersburg  
Holiday Inn Airport, Linthicum Heights  
DoubleTree, Rockville  
Days Inn, Silver Spring  
Holiday Inn, Silver Spring

#### MASSACHUSETTS

Wyndham, Billerica  
Atlantic Avenue Athletic Club, Boston  
Charles Square Athletic Club, Boston  
Commonwealth Athletic Club, Boston  
Courtyard by Marriott, Boston  
Proposed Intercontinental Hotel, Boston  
Westin Copley Place, Boston  
Wyndham Hotel, Boston  
Summerfield Suites by Wyndham, Burlington  
TownePlace Suites by Marriott, Danvers  
Residence Inn by Marriott, Dedham  
Proposed Courtyard by Marriott, Natick  
Newton Athletic Club, Newton  
Summerfield Suites by Wyndham, Waltham  
Proposed Courtyard by Marriott, Woburn  
Crowne Plaza, Worcester

#### MICHIGAN

Proposed TownePlace Suites, Ann Arbor  
Residence Inn by Marriott, Ann Arbor  
Fairfield Inn by Marriott, Auburn Hills  
Hilton Suites, Auburn Hills  
Proposed TownePlace Suites, Auburn Hills  
Fairfield Inn by Marriott, Canton  
Lifetime Fitness Center, Canton  
Courtyard by Marriott, Dearborn  
Hyatt Regency, Dearborn  
TownePlace Suites by Marriott, Dearborn  
DoubleTree Hotel Airport, Detroit  
Courtyard by Marriott, Flint  
Holiday Inn, Flint  
Riverwalk Place, Gladwin  
Delta Hotels by Marriott Grand Rapids Airport, Grand Rapids  
Proposed TownePlace Suites by Marriott, Grand Rapids  
Holiday Inn West, Lansing

Embassy Suites Detroit Livonia, Livonia  
Proposed TownePlace Suites by Marriott, Livonia  
TownePlace Suites by Marriott, Livonia  
Fairfield Inn by Marriott, Madison Heights  
Delta Hotels Muskegon Downtown, Muskegon  
Holiday Inn Muskegon Harbor, Muskegon  
Hampton Inn, Northville  
Wyndham Garden, Novi  
Quality Inn, Plymouth  
Proposed Marriott, Pontiac  
Lifetime Fitness Center, Rochester Hills  
Proposed WoodSpring Suites, Rochester Hills  
Fairfield Inn by Marriott, Romulus  
Proposed Hilton Garden Inn, Romulus  
Courtyard by Marriott, Southfield  
Holiday Inn, Southfield  
Proposed Holiday Inn Express, Sterling Heights  
Proposed TownePlace Suites, Sterling Heights  
Comfort Inn, Traverse City  
Courtyard by Marriott, Troy  
Drury Inn, Troy  
Hilton Inn Northfield, Troy  
Courtyard by Marriott, Warren  
Fairfield Inn by Marriott, Warren

#### MINNESOTA

Holiday Inn, Alexandria  
Proposed Holiday Inn Express, Alexandria  
Holiday Inn, Arden Hills  
Proposed Cobblestone Hotel & Suites, Austin  
Proposed SpringHill Suites Vadnais Heights, Arden Hills  
AmericInn by Wyndham Baxter Brainerd, Baxter  
Proposed Country Inn, Bemidji  
Cambria Suites, Bloomington



Crowne Plaza, Bloomington	Wyndham Garden, Bloomington	Proposed Homewood Suites by Hilton, Edina
DoubleTree by Hilton Bloomington	Motel 6 Minneapolis Brooklyn Center, Brooklyn Center	Proposed Hotel Market Study, Edina
Minneapolis South, Bloomington	Northwest Athletic Club Highway 100, Brooklyn Center	Westin, Edina
Embassy Suites Bloomington, Bloomington	Cragun's Resort, Brainerd	Silver Rapids Lodge Resort Ely, Ely
GuestHouse Inn, Bloomington	Northland Inn, Brooklyn Park	Proposed Boutique Hotel on Lake Minnetonka, Excelsior
Hampton Inn & Suites, Bloomington	Proposed Fairfield Inn by Marriott, Brooklyn Park	Northwest Athletic Club Moore Lake, Fridley
Hilton Garden Inn Minneapolis Airport Mall of America, Bloomington	Northwest Athletic Club Burnsville, Burnsville	Proposed Glencoe Hotel, Glencoe
Hilton Minneapolis St. Paul Airport Mall of America, Bloomington	Proposed Centerville Hotel, Centerville	Proposed Best Western Plus, Grand Rapids
Holiday Inn, Bloomington	Proposed Hotel, Chaska	Proposed Boutique Hotel Grand Rapids, Grand Rapids
Holiday Inn Express, Bloomington	Proposed Cohasset Hotel, Cohasset	Sawmill Inn, Grand Rapids
Hyatt Place Minneapolis Airport South, Bloomington	Proposed Cottage Grove Hotel, Cottage Grove	Wendigo Lodge, Grand Rapids
Hyatt Regency Bloomington	Days Inn Duluth Lakewalk, Duluth	Proposed Hastings Hotel, Hastings
Minneapolis, Bloomington	Edgewater Hotel and Waterpark, Duluth	Proposed Microtel, Hastings
Le Bourget Aero Suites (conversion to Holiday Inn Express), Bloomington	Holiday Inn, Duluth	Hibbing Park Hotel, Hibbing
Marriott Airport, Bloomington	Motel 6, Duluth	Grand Casino Hinckley's RV Resort, Hinckley
Northwest Athletic Club 98 <sup>th</sup> Street, Bloomington	Proposed Cambria Suites, Duluth	Proposed AmericInn by Wyndham, International Falls
Northwest Athletic Club Normandale, Bloomington	Proposed Clyde Ironworks Hotel, Duluth	Proposed Best Western Plus International Falls, International Falls
Proposed Courtyard by Marriott, Bloomington	Proposed Duluth Hotel, Duluth	Proposed Microtel International Falls, International Falls
Proposed Full-Service Hotel, Bloomington	Proposed GrandStay Hotel & Suites, Duluth	Motel 6 Lakeville/Minneapolis, Lakeville
Proposed Hampton Inn & Suites, Bloomington	Proposed Holiday Inn Express, Duluth	Lutsen Resort, Lutsen
Proposed Home2 Suites, Bloomington	Proposed Mixed-Use Development, Duluth	Proposed Hampton Inn, Mankato
Proposed Hyatt, Bloomington	Proposed Fairfield Inn & Suites, Eagan	Northwest Athletic Club Maple Grove, Maple Grove
Proposed JW Marriott, Bloomington	Proposed Home2 Suites, Eagan	Proposed Hilton Garden Inn, Maple Grove
Proposed MOA Hotel, Bloomington	Proposed Hotel, Eagan	Proposed Staybridge Suites by Marriott, Maple Grove
Proposed Radisson Blu, Bloomington	Residence Inn by Marriott, Eagan	Proposed Hotel, Maplewood
Proposed Residence Inn by Marriott, Bloomington	Westin Edina Galleria, Edina	Courtyard by Marriott, Mendota Heights
Radisson Blu Mall of America, Bloomington	Hilton Garden Inn, Eden Prairie	AC Hotel by Marriott Minneapolis Downtown, Minneapolis
Ramada Mall of America, Bloomington	Northwest Athletic Club Crosstown, Eden Prairie	Airport Market Area Overview, Minneapolis
Renaissance Hotel, Bloomington	Flagship Athletic Club, Eden Prairie	Comfort Suites, Minneapolis
Sheraton Bloomington Hotel, Bloomington	Proposed TownePlace Suites by Marriott, Eden Prairie	
Staybridge Suites Minneapolis	Hawthorn Suites, Edina	
Bloomington, Bloomington	Northwest Athletic Club Midwest, Edina	
Tru By Hilton Minneapolis Mall of America, Bloomington	Northwest Athletic Club St. Louis Park, Edina	
	Proposed Edina Hotel, Edina	

Courtyard by Marriott Minneapolis Downtown, Minneapolis	Proposed Limited-Service Hotel, Minneapolis	Motel 6 Minneapolis Airport Mall Of America, Richfield
Crowne Plaza Minneapolis Northstar Downtown, Minneapolis	Proposed Minneapolis Stadium Hotel, Minneapolis	Sonesta Simply Suites Minneapolis Richfield, Richfield
Days Inn University of MN, Minneapolis	Proposed Moxy, Minneapolis	Broadway Plaza, Rochester
Element Minneapolis Downtown, Minneapolis	Proposed SALT Hotel, Minneapolis	Country Inn & Suites Rochester South Mayo Clinic, Rochester
Elliot Park Hotel Autograph Collection Minneapolis, Minneapolis	Proposed Terminal Hotel, Minneapolis	Extended Stay America North, Rochester
Emery Autograph Collection by Marriott, Minneapolis	Proposed TownePlace Suites, Minneapolis	Extended Stay America South, Rochester
Grand Hotel Minneapolis, Minneapolis	Proposed The West Hotel, Minneapolis	Hilton Rochester Mayo Clinic Area, Rochester
Homewood Suites Mall of America, Minneapolis	Proposed Westin, Minneapolis	Holiday Inn Rochester Downtown, Rochester
Hampton Inn & Suites Minneapolis University Area, Minneapolis	Rand Tower Hotel Minneapolis a Marriott Tribute Portfolio Hotel, Minneapolis	Hotel Indigo Rochester Downtown, Rochester
Hewing Hotel, Minneapolis	Radisson Metrodome, Minneapolis	Hyatt House Rochester Mayo Clinic Area, Rochester
Hilton, Minneapolis	Sheraton Midtown Minneapolis, Minneapolis	La Quinta Inn & Suites by Wyndham Rochester Mayo Clinic South, Rochester
Hotel Ivy, Minneapolis	The Grand Hotel, Minneapolis	Proposed Cambria Suites, Rochester
Hotel Minneapolis, Minneapolis	The Marquette Hotel, Minneapolis	Proposed Dual Brand IHG Rochester, Rochester
Hyatt Place, Minneapolis	W Minneapolis The Foshay, Minneapolis	Proposed Embassy Suites, Rochester
Le Meridien Chambers Hotel, Minneapolis	Hampton Inn, Minnetonka	Proposed Hilton Hotel, Rochester
Northwest Athletic Club Arena, Minneapolis	Holiday Inn Express, Minnetonka	Proposed Hyatt House Rochester, Rochester
Proposed AC Hotel, Minneapolis	Northwest Athletic Club Oakdale, Minnetonka	Staybridge Suites, Rochester
Proposed Autograph Hotel, Minneapolis	Sheraton Minneapolis West, Minnetonka	Proposed Rosemount Hotel, Rosemount
Proposed Canopy Hotel, Minneapolis	Proposed Fairfield by Marriott Monticello, Monticello	Comfort Inn, Roseville
Proposed Conrad Hotel, Minneapolis	Proposed Holiday Inn Express, Mounds View	Motel 6 Roseville/Minneapolis, Roseville
Proposed Courtyard by Marriott, Minneapolis	Proposed New Brighton Hotel, New Brighton	Proposed Roseville Avid Hotel, Roseville
Proposed Dual-Branded Hotel, Minneapolis	Proposed Northfield Hotel, Northfield	Proposed Residence Inn by Marriott, Roseville
Proposed Element, Minneapolis	Proposed Hilton Garden, Oakdale	Holiday Inn West, St. Louis Park
Proposed Extended-Stay Hotel, Minneapolis	Proposed Home2 Suites by Hilton, Oakdale	Proposed Extended-Stay Hotel, St. Louis Park
Proposed Full-Service Hotel, Minneapolis	Proposed Holiday Inn Express, Oak Park Heights	Proposed Hilton Garden Inn, St. Louis Park
Proposed Gateway Hotel, Minneapolis	Courtyard by Marriott Owatonna Downtown, Owatonna	Proposed Hotel, St. Louis Park
Proposed Hampton Inn, Minneapolis	Owatonna Proposed Hotel, Owatonna	
Proposed Hotel at MSP, Minneapolis	Proposed Courtyard by Marriott, Owatonna	
Proposed Hyatt Centric, Minneapolis	Proposed Hotel, Plymouth	
Proposed Hyatt Place (conversion), Minneapolis	Proposed Ramsey Limited-Service Hotel, Ramsey	



DoubleTree by Hilton Saint Paul East,  
Saint Paul  
Holiday Inn, St. Paul  
Proposed Element Hotel, St. Paul  
Proposed Hotel, St. Paul  
Proposed Hyatt Place, St. Paul  
Saint Paul Hotel, St. Paul  
Proposed Sartell Hotel, Sartell  
Proposed Shakopee Extended-Stay  
Hotel, Shakopee  
Proposed Hotel, Stillwater  
Proposed Boutique Hotel, Taylors Falls  
Proposed Hotel, Wabasha  
Proposed Holiday Inn, Waite Park  
Proposed Staybridge Suites, Waite  
Park  
Proposed Limited-Service Hotel,  
Willmar  
La Quinta Inn & Suites Saint Paul  
Woodbury, Woodbury  
Sheraton, Woodbury

#### MISSISSIPPI

Hampton Inn, Harrisburg  
Comfort Inn, Hattiesburg  
Courtyard by Marriott, Jackson  
Holiday Inn Express, Jackson  
Proposed Conference Resort,  
Jackson  
Ramada, McComb  
Holiday Inn Express, Milford  
Courtyard by Marriott Oxford, Oxford  
Homewood Suites, Ridgeland  
Staybridge Suites, Ridgeland

#### MISSOURI

Branson Landing Hilton, Branson  
Chateau on the Lake, Branson  
Hilton Branson Convention Center,  
Branson  
Sheraton, Clayton  
Proposed Home 2 Suites by Hilton,  
Independence  
Residence Inn by Marriott, Joplin  
Crossroads Hotel, Kansas City  
Hampton Inn, Kansas City  
Proposed Boutique Hotel, Kansas City

Proposed Hotel, Kansas City  
Proposed Residence Inn by Marriott,  
Kansas City  
Residence Inn by Marriott, Kansas City  
Country Club Hotel & Spa, Lake Ozark  
Big Cedar Lodge, Ridgedale  
Embassy Suites, St. Charles  
Comfort Inn, St. Louis  
Holiday Inn North, St. Louis  
Radisson Hotel, St. Louis  
Courtyard by Marriott, Springfield  
Holiday Inn Express, Springfield  
Residence Inn by Marriott, Springfield  
University Plaza, Springfield

#### MONTANA

Crowne Plaza, Billings  
Proposed TownePlace Suites by  
Marriott, Billings  
TownePlace Suites by Marriott  
Billings, Billings  
Best Western Plus Butte Plaza Inn,  
Butte  
Hampton Inn, Butte  
Proposed Holiday Inn Express,  
Glendive  
Proposed Holiday Inn Express, Great  
Falls  
Holiday Inn Express, Helena  
Proposed Holiday Inn Express, Helena  
Wingate Inn, Helena  
Holiday Inn Express, Kalispell  
Proposed Homewood Suites, Kalispell  
Proposed Hotel, Missoula  
Proposed TownePlace Suites, Missoula  
TownePlace Suites by Marriott,  
Missoula  
Proposed Best Western, Shelby  
Best Western Golden Prairie Inn &  
Suites, Sidney  
Proposed Best Western, Sidney  
Richland Motor Inn, Sidney  
Proposed Hotel, Whitefish

#### NEBRASKA

Proposed Hotel, Ashland  
Proposed Hotel, Beatrice

Proposed Hotel, Grand Island  
Proposed Hotel, Hastings  
AmericInn by Wyndham Kearney,  
Kearney  
Proposed Dual-Brand Hotel Kearney,  
Kearney  
Courtyard by Marriott, La Vista  
Embassy Suites, La Vista  
Embassy Suites, Lincoln  
Hampton Inn, Lincoln  
Proposed Fallbrook Hotel, Lincoln  
Proposed Hotel, Lincoln  
Proposed Tribute Hotel, Norfolk  
Best Western Central, Omaha  
DoubleTree, Omaha  
Hampton Inn, Omaha  
Marriott Hotel, Omaha  
Proposed Blackstone Hotel, Omaha  
Proposed Hotel, Omaha  
Proposed Marriott, Omaha  
Ramada Inn, Omaha  
Sheraton Inn, Omaha  
Quality Inn Scottsbluff, Scottsbluff  
Proposed Hotel, Waverly

#### NEVADA

Candlewood Suites, Henderson  
Hampton Inn & Holiday Inn Express,  
Henderson  
Proposed Holiday Inn Express,  
Henderson  
Proposed Timeshare Resort, Lake  
Tahoe  
Alexis Park Suites, Las Vegas  
Courtyard by Marriott, Las Vegas  
Embassy Suites, Las Vegas  
Marriott Suites, Las Vegas  
Proposed Hotel, Las Vegas  
SpringHill Suites, Las Vegas  
Homewood Suites, Reno  
Hyatt Place, Reno  
Proposed Reno Embassy Suites, Reno  
Renaissance by Marriott Reno  
Downtown Hotel & Spa, Reno

#### NEW HAMPSHIRE

Presidential Mountain Resort,  
Bethlehem  
Fairfield Inn by Marriott, Merrimack

#### **NEW JERSEY**

Trump Marina Hotel & Casino, Atlantic  
City  
Summerfield Suites by Wyndham,  
Bridgewater  
Montreal Beach Resort, Cape May  
Courtyard by Marriott, Edison  
Leisure Park Retirement Community,  
Lakewood  
Summerfield Suites by Wyndham,  
Morristown  
Courtyard by Marriott Newark  
Downtown, Newark  
Hilton Gateway Plaza, Newark  
Hilton, Parsippany  
Proposed Residence Inn Parsippany,  
Parsippany  
Residence Inn by Marriott, Princeton  
Courtyard by Marriott, Secaucus  
DoubleTree, Somerset  
Residence Inn by Marriott, Tinton Falls  
Summerfield Suites by Wyndham,  
Whippany

#### **NEW MEXICO**

Andaluz, Albuquerque  
Del Norte Athletic Club, Albuquerque  
DoubleTree by Hilton, Albuquerque  
Downtown Athletic Club, Albuquerque  
Embassy Suites, Albuquerque  
Hilton Garden Inn Uptown,  
Albuquerque  
Highpoint Athletic Club, Albuquerque  
Holiday Inn Express, Albuquerque  
Hotel Albuquerque, Albuquerque  
La Posada, Albuquerque  
Midtown Athletic Club, Albuquerque  
Proposed Hilton Garden Inn,  
Albuquerque  
Proposed Hotel Indigo, Albuquerque  
Proposed Residence Inn, Albuquerque  
Proposed SpringHill Suites,  
Albuquerque

Riverpoint Athletic Club, Albuquerque  
Suburban Lodge, Albuquerque  
Holiday Inn Express, Farmington  
Hilton Garden Inn, Las Cruces  
Proposed Resort, Pojoaque  
Hilton Garden Inn, Rio Rancho  
Bishop's Lodge, Santa Fe  
Courtyard by Marriott, Santa Fe  
Eldorado Hotel, Santa Fe  
Encantado Resort, Santa Fe  
Hilton, Santa Fe  
Holiday Inn, Santa Fe  
Hotel Chimayo, Santa Fe  
Proposed Hotel, Santa Fe

#### **NEW YORK**

Crowne Plaza, Albany  
Omni Hotel, Albany  
Proposed Hilton Garden Inn, Buffalo  
Holiday Inn Express, Cooperstown  
Residence Inn by Marriott, Fishkill  
Hyatt Place, Garden City  
Holiday Inn, Grand Island  
Holiday Inn, Jamestown  
Sofitel, New York  
Four Points, Niagara Falls  
Holiday Inn Select, Niagara Falls  
Proposed Hotel, Niagara Falls  
Embassy Suites, Syracuse  
Fairfield Inn by Marriott, Syracuse  
Holiday Inn, Syracuse  
Wyndham Hotel, Syracuse

#### **NORTH CAROLINA**

Sleep Inn & Suites, Albemarle  
Hampton Inn, Asheboro  
DoubleTree Biltmore, Asheville  
Hotel Indigo, Asheville  
Renaissance, Asheville  
Cape Pines Motel, Buxton  
Embassy Suites Ayrslay, Charlotte  
Hilton Garden Inn Ayrslay, Charlotte  
Homewood Suites, Charlotte  
Residence Inn by Marriott, Charlotte  
Westin Hotel, Charlotte  
Proposed Select-Service Hotel,  
Charlotte

Holiday Inn Express, Clemmons  
Embassy Suites, Concord  
Hilton Garden Inn, Concord  
21c Museum Hotel, Durham  
Candlewood Suites Durham Research  
Triangle Park, Durham  
Marriott Research Triangle Park  
Durham, Durham  
Proposed 21c Hotel, Durham  
Proposed Hotel, Durham  
Holiday Inn, Fayetteville  
Radisson Inn, Greensboro  
Holiday Inn Express, Henderson  
Days Inn RPT, Raleigh  
Holiday Inn, Raleigh  
Proposed Hotel, Raleigh  
Renaissance Hotel, Raleigh  
Fairfield Inn by Marriott, Rocky Mount  
Holiday Inn Express & Suites  
Smithfield Selma I-95, Smithfield  
Fairfield by Marriott Raleigh Wake  
Forest, Wake Forest  
Staybridge Suites Wilmington East,  
Wilmington  
Blockade Runner Beach Resort,  
Wrightsville Beach

#### **NORTH DAKOTA**

Cobblestone Hotel & Suites Beulah,  
Beulah  
Fairfield by Marriott Bismarck North,  
Bismarck  
Fairfield by Marriott Bismarck South,  
Bismarck  
Hampton by Hilton, Bismarck  
Proposed SpringHill Suites by  
Marriott, Bismarck  
Proposed University Hotel, Bismarck  
Residence Inn by Marriott Bismarck  
North, Bismarck  
Staybridge Suites, Bismarck  
Holiday Inn Express Devils Lake,  
Devils Lake  
Proposed Dakota Suites, Dickinson  
Candlewood Suites Fargo South -  
Medical Center, Fargo  
Delta Hotels by Marriott Fargo, Fargo

Hampton by Hilton Fargo Medical Center, Fargo  
 Hawthorn Suites by Wyndham Fargo, Fargo  
 Holiday Inn, Fargo  
 Jasper Hotel, Fargo  
 Proposed AC Hotel by Marriott Fargo, Fargo  
 Proposed Hawthorn Suites, Fargo  
 Proposed Hotel, Fargo  
 Proposed Limited-Service Hotel, Fargo  
 Proposed Wingate Inn, Fargo  
 Radisson, Fargo  
 Ramada Plaza Conversion, Fargo  
 Ramada Plaza Suites, Fargo  
 Canad Inns Destination Center Grand Forks, Grand Forks  
 Baymont Inn & Suites, Minot  
 Candlewood Suites Minot, Minot  
 Hyatt House, Minot  
 La Quinta Inn & Suites, Minot  
 Noble Inn, Minot  
 North Hills Suites Conversion to Hyatt House, Minot  
 Proposed Extended-Stay Hotel, Minot  
 Proposed Limited-Service Hotel, Minot  
 Proposed Baymont Inn & Suites, South Heart  
 MainStay Suites Stanley, Stanley  
 Proposed Candlewood Suites, West Fargo  
 Market Overview, Williston  
 Proposed Hotel(s), Williston  
 Supply Update, Williston

## OHIO

Fairfield Inn by Marriott, Akron  
 Proposed Hilton, Chippewa Lake  
 Hilton Cincinnati Netherland Plaza, Cincinnati  
 Hyatt Regency, Cincinnati  
 Radisson, Cincinnati  
 Courtyard by Marriott, Cleveland  
 Holiday Inn Beachwood, Cleveland  
 Holiday Inn Westlake, Cleveland  
 Marriott East, Cleveland  
 Marriott North, Cleveland

Radisson, Cleveland  
 AmeriSuites, Columbus  
 Courtyard Easton, Columbus  
 DoubleTree Guest Suites, Columbus  
 Hilton Easton, Columbus  
 Hilton Polaris, Columbus  
 Marriott Airport, Columbus  
 Westin, Columbus  
 DoubleTree Guest Suites, Dayton  
 Marriott Columbus Northwest, Dublin  
 La Quinta Inn & Suites Fairborn  
 Wright Patterson, Fairborn  
 AmeriSuites, Forest Park  
 Holiday Inn Express Hotel & Suites  
 Dayton Huber Heights, Huber Heights  
 Harley Hotel, Independence  
 Comfort Inn, Marietta  
 Marriott Cincinnati Northeast, Mason  
 Comfort Inn Cleveland Airport, Middleburg Heights  
 Harley Hotel, Middleburg Heights  
 Holiday Inn, Richfield  
 Homewood Suites, Sharonville  
 Holiday Inn, Strongsville  
 Marriott Cincinnati North, West Chester  
 Ramada Hotel, Willoughby

## OKLAHOMA

Holiday Inn Express & Suites, Duncan  
 Embassy Suites, Norman  
 Courtyard by Marriott Downtown, Oklahoma City  
 Hampton Inn, Oklahoma City  
 Hampton Inn & Suites Oklahoma City  
 Airport, Oklahoma City  
 Home2 Suites by Hilton Oklahoma City  
 Airport, Oklahoma City  
 Park Inn, Oklahoma City  
 Proposed Boutique Hotel, Oklahoma City  
 Proposed NYLO Hotel, Oklahoma City  
 Residence Inn by Marriott Bricktown, Oklahoma City  
 Westin, Oklahoma City  
 Courtyard by Marriott, Tulsa

Hampton Inn, Tulsa  
 Renaissance, Tulsa

## OREGON

Windmill Inn, Ashland  
 AC Hotel by Marriott Portland  
 Beaverton, Beaverton  
 Valley River Inn, Eugene  
 Best Western Pier Point Inn, Florence  
 Proposed Staybridge Suites, Hillsboro  
 Columbia Gorge Hotel & Spa, Hood River  
 Columbia Gorge Hotel & Spa, Hood River  
 Residence Inn by Marriott, Lake Oswego  
 Proposed Candlewood Suites, Medford  
 Windmill Inn, Medford  
 DoubleTree Downtown, Portland  
 DoubleTree Lloyd Center, Portland  
 Marriott, Portland  
 Proposed Hilton Garden Inn, Portland  
 Proposed Hyatt Convention Hotel, Portland  
 Residence Inn by Marriott, Portland  
 Windmill Inn, Roseburg  
 DoubleTree, Springfield  
 Holiday Inn, Wilsonville

## PENNSYLVANIA

Courtyard by Marriott, Cranberry Township  
 Marriott North, Cranberry Township  
 Hilton Garden Inn, Fort Washington  
 Sheraton Great Valley Hotel, Frazer  
 Holiday Inn, Greentree  
 Crowne Plaza, Harrisburg  
 Alloy King of Prussia A DoubleTree by Hilton, King of Prussia  
 Proposed Hotel – King of Prussia Mall, King of Prussia  
 Sheraton Bucks County Langhorne, Langhorne  
 Four Points by Sheraton, Mars  
 Holiday Inn, McKnight  
 Holiday Inn, Monroeville  
 DoubleTree, Moon Township

DoubleTree Club, Philadelphia  
 Proposed Ritz-Carlton, Philadelphia  
 Proposed Sofitel, Philadelphia  
 Residence Inn by Marriott,  
 Philadelphia  
 Sofitel, Philadelphia  
 Wyndham Franklin Plaza, Philadelphia  
 Crowne Plaza, Pittsburgh  
 Holiday Inn, Pittsburgh  
 Holiday Inn Parkway East, Pittsburgh  
 Windsor Court Hotel Conversion,  
 Pittsburgh  
 Wyndham, Pittsburgh  
 DoubleTree Guest Suites, Plymouth  
 Meeting  
 Nittany Lion, State College  
 Penn Stater, State College  
 Holiday Inn Meadowlands,  
 Washington Park  
 Holiday Inn, York

#### **RHODE ISLAND**

Proposed WoodSpring Suites  
 Signature, Providence  
 Courtyard by Marriott Providence  
 Warwick, Warwick  
 Residence Inn by Marriott, Warwick  
 Proposed NYLO Hotel, Warwick

#### **SOUTH CAROLINA**

Best Western, Charleston  
 Clarion, Charleston  
 Lodge Alley, Charleston  
 Holiday Inn, Columbia  
 Hilton Garden Inn, Greenville  
 Best Western, Hilton Head  
 Holiday Inn, Hilton Head  
 Hampton Inn Oceanside, Myrtle Beach  
 Holiday Inn Sunspree, Myrtle Beach  
 Shorecrest II, Myrtle Beach  
 DoubleTree Hotel, North Charleston  
 Residence Inn, North Charleston  
 Holiday Inn, Rock Hill

#### **SOUTH DAKOTA**

Proposed GrandStay Suites, Aberdeen

Proposed TownePlace Suites,  
 Aberdeen  
 TownePlace Suites by Marriott,  
 Aberdeen  
 Proposed Hotel Indigo Brookings,  
 Brookings  
 Proposed Hotel, Pierre  
 Courtyard by Marriott, Sioux Falls  
 Proposed Full-Service Hotel Sioux  
 Falls, Sioux Falls  
 Proposed Limited-Service Sioux Falls  
 Hotel, Sioux Falls  
 Sheraton, Sioux Falls  
 SpringHill Suites, Sioux Falls  
 Proposed Hotel, Watertown

#### **TENNESSEE**

Courtyard by Marriott, Clarksville  
 Fairfield Inn by Marriott, Chattanooga  
 Embassy Suites, Franklin  
 TownePlace Suites Cool Springs,  
 Franklin  
 Courtyard by Marriott, Germantown  
 Fairfield Inn by Marriott, Jackson  
 Hampton Inn & Suites East, Knoxville  
 Hotel Market Supply and Demand  
 Study, Knoxville  
 Proposed Convention Hotel, Knoxville  
 Proposed Courtyard by Marriott,  
 Knoxville  
 Fairfield Inn & Suites by Marriott  
 Lebanon, Lebanon  
 Adams Mark, Memphis  
 AmeriSuites, Memphis  
 Courtyard by Marriott, Memphis  
 French Quarter Hotel, Memphis  
 Hampton Inn, Memphis  
 Ramada Inn, Memphis  
 Country Inn, Murfreesboro  
 Embassy Suites, Murfreesboro  
 Aloft Nashville West End, Nashville  
 Holston House Nashville, Nashville  
 Proposed SpringHill/Residence Inn by  
 Marriott, Nashville  
 Renaissance Hotel, Nashville  
 SpringHill Suites by Marriott, Nashville  
 Hampton Inn, Pigeon Forge

Hampton Inn, Smyrna  
 Hilton Garden Inn, Smyrna

#### **TEXAS**

Courtyard by Marriott, Abilene  
 Courtyard by Marriott, Allen  
 Comfort Inn, Amarillo  
 Crowne Plaza, Amarillo  
 Days Inn, Amarillo  
 Holiday Inn Express, Amarillo  
 Courtyard by Marriott South Arlington,  
 Arlington  
 Residence Inn South Arlington,  
 Arlington  
 Courtyard by Marriott, Austin  
 Fairfield Inn & Suites North, Austin  
 Hampton Inn & Suites Downtown,  
 Austin  
 Hawthorn Suites Central, Austin  
 Hawthorn Suites South, Austin  
 Hilton Garden Inn, Austin  
 Holiday Inn, Austin  
 Holiday Inn NW, Austin  
 Holiday Inn South, Austin  
 Proposed Courtyard by Marriott,  
 Austin  
 Sheraton, Austin  
 Staybridge Suites Austin South  
 Interstate Highway 35, Austin  
 Proposed Spillman Ranch, Bee Cave  
 Courtyard by Marriott, Corpus Christi  
 DoubleTree Campbell Center, Dallas  
 Embassy Suites by Hilton Dallas Park  
 Central Area, Dallas  
 Holiday Inn Market Center, Dallas  
 Le Meridien, Dallas  
 Proposed Boutique Hotel, Dallas  
 Proposed NYLO, Dallas  
 Proposed WoodSpring Suites, Dallas  
 Residence Inn by Marriott, Dallas  
 Westin Dallas Park Central, Dallas  
 Holiday Inn Select, D/FW Airport  
 Hyatt D/FW Airport  
 Courtyard by Marriott, El Paso  
 Hilton Garden Inn, Fort Worth  
 Marriott DFW, Fort Worth  
 Residence Inn by Marriott, Fort Worth

TownePlace Suites by Marriott, Fort Worth

Embassy Suites, Frisco

Proposed NYLO Hotel, Frisco

Holiday Inn Express and Suites

Gatesville North Fort Hood, Gatesville

Proposed Resort, Horseshoe Bay

Crowne Plaza, Houston

Hampton Inn, Houston

Hawthorn Suites, Houston

Hilton Garden Inn Energy Corridor, Houston

Hilton Garden Inn Galleria, Houston

Hotel Icon, Houston

Kingwood Athletic Club, Houston

Magnolia Hotel, Houston

Ramada Plaza, Houston

Westin Galleria, Houston

Westin Oaks, Houston

Hawthorn Suites, Irving

Holiday Inn Express, Irving

Hyatt Place, Irving

Marriott DFW Airport, Irving

Proposed Convention Hotel, Irving

Hawthorn Suites, Killeen

Residence Inn, Killeen

Hampton Inn, Laredo

Proposed NYLO, Las Colinas

Proposed Campus Hotel, Lubbock

Embassy Suites, McAllen

Residence Inn by Marriott McAllen, McAllen

Proposed Hotel, McKinney

Holiday Inn, New Braunfels

Best Western, Odessa

Proposed NYLO, Plano

Courtyard by Marriott, Richardson

Hampton Inn, Richardson

Renaissance, Richardson

Proposed Hotel, Riviera

Courtyard by Marriott Austin Round Rock, Round Rock

Marriott, Round Rock

DoubleTree, San Antonio

Homewood Suites, San Antonio

JW Marriott Hill Country, San Antonio

Marriott Plaza, San Antonio

Marriott San Antonio Northwest, San Antonio

Proposed Aloft, San Antonio

Residence Inn by Marriott Airport, San Antonio

Wyndham San Antonio Riverwalk, San Antonio

Embassy Suites, San Marcos

Staybridge Suites, Stafford

Marriott Hotel & Conference Center, Sugar Land

Residence Inn, Temple

Hilton Garden Inn, Tyler

Holiday Inn, Tyler

Homewood Suites by Hilton, Tyler

Residence Inn by Marriott, Tyler

Courtyard by Marriott, Waco

#### UTAH

Crystal Inn, Brigham City

Residence Inn by Marriott, Cottonwood

Proposed Black Rock Mountain Resort, Heber City

Hampton Inn, Layton

Suburban Lodge, Midvale

Holiday Inn Express, Moab

Brookfield Inn, Park City

Chateaux at Silver Lake, Park City

Olympia Park, Park City

Park City Peaks, Park City

The Lodges at Deer Valley, Park City

Comfort Inn Airport, Salt Lake City

Crystal Inn, Salt Lake City

Embassy Suites, Salt Lake City

Hilton Airport, Salt Lake City

Hilton Downtown, Salt Lake City

Hilton Garden Inn, Salt Lake City

Holiday Inn Express, Salt Lake City

Peery Hotel, Salt Lake City

Proposed Comfort Suites, Salt Lake City

Proposed Courtyard by Marriott, Salt Lake City

Proposed Embassy Suites, Salt Lake City

Proposed Hilton Garden Inn, Salt Lake City

Proposed Residence Inn by Marriott, Salt Lake City

Quality Inn, Salt Lake City

Quality Inn Midvalley, Salt Lake City

Residence Inn by Marriott, Salt Lake City

Residence Inn by Marriott

Cottonwood, Salt Lake City

Residence Inn City Center, Salt Lake City

University Park, Salt Lake City

Holiday Inn Express & Suites, Sandy

Proposed Embassy Suites, Sandy

Suburban Lodge, S. Salt Lake City

Proposed Cambria Suites, S. Jordan

Bottle Hollow Resort, Uinitah

#### VERMONT

Fairfield Inn by Marriott, Colchester

#### VIRGINIA

SpringHill Suites by Marriott

Centreville Chantilly, Centreville

Residence Inn by Marriott, Chantilly

Hilton Garden Inn, Chesapeake

Super 8, Christiansburg

Holiday Inn, Covington

Hyatt Fair Lakes, Fairfax

Hilton Garden Inn, Fredericksburg

AmeriSuites, Glen Allen

Virginia Crossings Hotel & Conference Center Tapestry Collection by Hilton, Glen Allen

Embassy Suites, Hampton

Super 8, Harrisonburg

Holiday Inn, Lexington

Super 8, Lexington

Courtyard by Marriott, McLean

Proposed Tysons Corner Hotel, McClean

Staybridge Suites by Holiday Inn, McLean

Super 8, Norton

Super 8, Radford

Embassy Suites, Richmond



Westin, Richmond  
 Proposed MainStay Suites, Roanoke  
 Sheraton Airport, Roanoke  
 Super 8, Roanoke  
 Holiday Inn, Salem  
 Country Inn, Stafford  
 Crowne Plaza Virginia Beach Town  
 Center, Virginia Beach  
 Super 8, Waynesboro  
 Embassy Suites, Williamsburg

#### **WASHINGTON**

DoubleTree Bellevue Center, Bellevue  
 SpringHill Suites by Marriott, Bothell  
 Proposed Holiday Inn Express, Lacey  
 Proposed Mt. Rainer Resort, Park  
 Junction  
 Hyatt at Olive 8, Seattle  
 Renaissance Hotel, Seattle  
 Residence Inn by Marriott Seattle  
 University District, Seattle  
 Summerfield Suites by Wyndham,  
 Seattle  
 DoubleTree Spokane Valley, Spokane  
 Holiday Inn Express Spokane  
 Downtown, Spokane  
 Quality Inn Spokane Valley  
 (conversion to Fairfield), Spokane  
 Residence Inn by Marriott, Vancouver  
 SpringHill Suites, Wenatchee  
 DoubleTree, Yakima

#### **WEST VIRGINIA**

Aspen Suites (Holiday Inn Express  
 Conversion), Charleston  
 Residence Inn by Marriott, Charleston  
 Hampton Inn, Morgantown

#### **WISCONSIN**

Proposed Country Inn, Brookfield  
 Proposed Hilton Garden Inn,  
 Brookfield  
 Sheraton Milwaukee Brookfield,  
 Brookfield  
 Wyndham Garden, Brookfield  
 Telemark Resort, Cable  
 Proposed Hotel, Cottage Grove

Ramada Hotel and Conference Center,  
 Eau Claire  
 Hotel Northland, Green Bay  
 Proposed Holiday Inn Express Hotel &  
 Suites, Hudson  
 Proposed Hilton Garden, Kimberly  
 Charmant Hotel, La Crosse  
 Hampton Inn, La Crosse  
 Proposed Hampton Inn, La Crosse  
 Proposed AC Hotel, Madison  
 Proposed Courtyard by Marriott,  
 Madison  
 Proposed Hilton Garden Inn, Madison  
 Cambria Hotel Milwaukee, Milwaukee  
 Marriott Milwaukee Downtown,  
 Milwaukee  
 Proposed Hotel, Milwaukee  
 Proposed Kimpton Hotel, Milwaukee  
 Proposed Marriott, Milwaukee  
 Proposed Residence Inn by Marriott,  
 Milwaukee  
 Proposed Tempo by Hilton, Milwaukee  
 Proposed WoodSpring Suites,  
 Milwaukee  
 Comfort Suites, Pewaukee  
 Proposed Holiday Inn Express,  
 Platteville  
 Proposed Hotel River Falls, River Falls  
 Holiday Inn Express, Superior  
 Proposed Extended-Stay Hotel,  
 Superior  
 Proposed Hampton Inn, Superior  
 Proposed Hotel, Superior  
 Proposed Hotel, Verona  
 Holiday Inn, Wauwatosa  
 Proposed Fairfield Inn, Whitewater

#### **WYOMING**

Holiday Inn, Casper  
 Proposed Autograph Hotel &  
 Residences Jackson Hole, Jackson  
 Snake River Lodge, Jackson  
 Proposed Resort, Teton Village  
 Proposed Americas Best Value Inn,  
 Wheatland

#### **INTERNATIONAL**

#### **Canada**

Horseshoe Valley Ski Resort, Barrie,  
 Ontario  
 Hilton, Windsor, Ontario  
 Travelodge, Windsor, Ontario  
 Hampton Inn & Suites, Ontario

#### **Caribbean**

Aruba Marriott & Casino, Aruba  
 Americana Resort, Aruba  
 Westin, Aruba  
 Holiday Inn Nassau, Bahamas  
 Paradise Island Fun Club, Bahamas  
 Little Dix Bay, Virgin Gorda, BVI  
 Club St. Lucia, Castries, British West  
 Indies  
 Marriott Resort, Grand Cayman,  
 British West Indies  
 Ritz Carlton San Juan, Puerto Rico  
 Sands Hotel & Casino, Puerto Rico  
 Wyndham El San Juan, Puerto Rico  
 Hyatt Regency St. John, USVI  
 Proposed Limited-Service Hotel, St.  
 John USVI  
 Westin Resort, St. John, USVI  
 Caneel Bay, St. John, USVI  
 Marriott Frenchman's Reef and  
 Morningstar Resort, St. Thomas,  
 USVI

#### **Mexico**

Royal Sands, Cancun

## State of Wisconsin

DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

COMMITTED TO EQUAL OPPORTUNITY IN EMPLOYMENT AND LICENSING

### APPRAISER, CERTIFIED GENERAL

NO. 1121 - 10

Expires: 12/14/2025

**TANYA J PIERSON**  
**8134 BIG BEND BLVD,**  
**WEBSTER GROVES, MISSOURI 63119**  
**UNITED STATES**

The person whose name appears on this document has complied with the provisions of the Wisconsin Statutes and holds the credential specified on the front of this card. To verify the current status of this credential, use "Lookup a License" at [dps.wi.gov](https://dps.wi.gov).

The named person has complied with Wisconsin Statutes and holds the credential specified.  
Signature: Tanya J Pierson

Ch 440.11, Wis Statutes, requires you to notify the Department of a name or address change within 30 days. Please submit corrected information via the web at [dps.wi.gov](https://dps.wi.gov) or by mail to DSPS at PO ` Box 8935, Madison WI 53708-8935.



## Unofficial Property Record Card - Milwaukee, WI

### General Property Data

Parcel ID	3960471000	Account Number	3960471000
Prior Parcel ID		Property Location	625 MILWAUKEE ST Milwaukee
Property Owner	WISCONSIN & MILWAUKEE HOTEL LLC	Property Use	Special Mercantile
Mailing Address	731 N JACKSON ST UNIT 420	Most Recent Sale Date	
City	MILWAUKEE	Legal Reference	
Mailing State	WI	Grantor	
Parcel Zoning	C9F(A)	Sale Price	0
		Land Area	0.760 acres

### Building Description

Building Style	Hotel - Full Service	Foundation Type	N/A	Flooring Type	N/A
# of Living Units	0	Frame Type	MASONRY BEARING WALLS	Basement Floor	N/A
Year Built	2013	Roof Structure	N/A	Heating Type	N/A
Building Grade	Average	Roof Cover	N/A	Heating Fuel	N/A
Building Condition	N/A	Siding	Precast Masonary	Air Conditioning	0%
Finished Area (SF)	147010	Interior Walls	N/A	# of Bsmt Garages	0
Number Rooms	0	# of Bedrooms	0	# of Full Baths	0
# of 3/4 Baths	0	# of 1/2 Baths	0	# of Other Fixtures	0

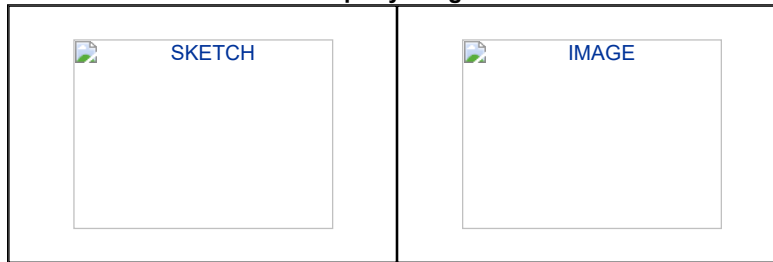
### Legal Description

WISCONSIN & MILWAUKEE CONDOMINIUM IN THE SW 1/4 SEC 28-7-22 UNIT 1 & 95% UNDIV INT IN COMMON ELEMENTS BID #21

### Narrative Description of Property

This property contains 0.760 acres of land mainly classified as Special Mercantile with a(n) Hotel - Full Service style building, built about 2013 , having Precast Masonary exterior and N/A roof cover, with 206 commercial unit(s) and 0 residential unit(s), 0 room(s), 0 bedroom(s), 0 bath(s), 0 half bath(s).

### Property Images



Disclaimer: This information is believed to be correct but is subject to change and is not warranted.